

Independent Auditor's Certificate on the utilisation of term loan for the purpose availed

To
The Board of Directors
Sai Life Sciences Limited
Plot No. DS- 7, IKP Knowledge Park,
Turkapally Village, Shameerpet Mandal,
Medchal – Malkajgiri District,
Hyderabad 500 078, Telangana, India

Dear Sirs / Madam,

1. This certificate is issued in accordance with the terms of our agreement dated July 08, 2024.
2. In connection with the proposed initial public offering of equity shares (the "Offer") of Sai Life Sciences Limited (the "Company"), the Company is required to obtain a certificate from the Statutory Auditors, with regard to the utilisation of loans taken by the Company, for the purpose availed, as required by Clause (9)(A)(2)(b) of Part A of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations").
3. The accompanying statement of utilisation of term loans between the period from April 1, 2018 to September 30, 2024, for the purpose availed by the Company, as per the requirement of the ICDR Regulations (the "Statement") is prepared by the Management of the Company, which we have initialed for identification purposes only.

Management's Responsibility for the Statement

4. The preparation of the accompanying Statement is the responsibility of the Management of the Company including the maintenance of all accounting and other relevant supporting records and documents. This responsibility includes collecting, collating, validating and designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
5. The Management is also responsible for ensuring:
 - a. the utilisation of term loan for the purpose availed;
 - b. completeness and accuracy of the details provided in the attached Statement; and
 - c. compliance with the requirements of the ICDR Regulations.

Auditor's Responsibility

6. Our responsibility is to obtain reasonable assurance and conclude as to whether the financial information provided in the Statement is in agreement with the Audited Standalone Financial Statements as at and for the six months period ended September 30, 2024 and for the years ended March 31, 2024, 2023, 2022, 2021, 2020 and 2019 and underlying audited books of accounts and other records for the period from the date on which the term loans set forth in the Statement were drawn down to September 30, 2024.
7. The Audited Standalone Financial Statements as at and for the six months period ended September 30, 2024 and for the years ended March 31, 2024, 2023, 2022, 2021, 2020 and 2019 referred to in paragraph 6 above, have been audited by us on which we issued an unmodified audit opinion vide our reports dated November 26, 2024, May 21, 2024, August 09, 2023, August 17, 2022, September 02, 2021, September 29, 2020 and September 03, 2019. Our audit of these financial statements were conducted in accordance with the Standards on Auditing issued by

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Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audits were not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties. Our report for the year ended March 31, 2020, 2019 includes the following Other Matter paragraph:

"Other Matter paragraph of March 31, 2020

Due to the COVID-19 related lock-down, we were unable to participate in the year-end physical verification of inventories that was carried out by the Management. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence - Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these financial statements.

Our opinion on the standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matter."

"Other Matter paragraph of March 31, 2019

The comparative financial information of the Company for the year ended 31 March 2018 included in these standalone financial statements were audited by the predecessor auditor whose report dated 14 August 2018 expressed an unmodified opinion on those standalone financial statements for the year ended 31 March 2018.

Our opinion on the standalone financial statements is not modified in respect of the above matter on the comparative financial information."

8. We conducted our procedures on the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
10. We have performed the following procedures in relation to the Statement:
 - a. Obtained the details of term loans availed by the Company from the management of the Company;
 - b. Obtained the loan sanction letters/loan agreements for the term loans included in the Statement from the Management and compared the purpose of loans and the sanctioned amount as per the said sanction letter with the purpose of loan and sanctioned amount mentioned in the Statement;
 - c. Obtained the bank statements of the Company from the date on which the loans set forth in the Statement were drawn down to September 30, 2024 and traced the term loan drawdown amounts mentioned in the Statement to the bank statement of the Company for such period and found such amounts to be in agreement;
 - d. Obtained the Schedule prepared by the Management of the Company giving details of utilisation of term loans availed based on books of accounts from April 1, 2018 to September 30, 2024 and traced the amount of utilisation appearing under the column "Utilisation of term loan" in the Statement to the corresponding amounts included in the Schedule (including sub totals and totals of the Schedule). This procedure does not include tracing of individual transactions from the details of utilization of terms loans availed to the bank statements or to the books of account;

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- e. Traced the outstanding balance of term loans as at September 30, 2024 as set forth in the Statement with amounts appearing in the audited books of accounts of the Company as at September 30, 2024 and found such amounts to be in agreement;
 - f. Re-computed the mathematical accuracy of the Statement and found it to be correct; and
 - g. Conducted relevant management inquiries and obtained necessary representation.
11. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

Opinion

12. Based on our examination as above, and the information and explanations given to us, in our opinion financial information provided in the Statement are in agreement with the books of accounts and other records made available to us in respect of the loans outstanding as at September 30, 2024 for the period from the date on which the loans set forth in the Statement were drawn down till September 30, 2024.

Restriction on Use

13. This Certificate has been issued at the request of the Company for the use of the Management of the Company in relation to the Offer and is not intended to be and should not be used for any other purpose without our prior written consent except that this certificate can be shared with the book running lead managers and the legal advisors involved in the Offer for onward submission to Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited, Registrar of Companies, Telangana at Hyderabad or any other regulatory authorities as required by law in India. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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



Sathya P. Koushik
Partner
(Membership No. 206920)
UDIN: 24206920BKAOEC1349

Place : Bengaluru
Date : November 26, 2024

Annexure I

Statement of utilisation of term loan for the purpose availed as at September 30, 2024

Term loans availed by the Company

Name of the lender	Nature of loan as per sanction letter/ loan agreement	Purpose for which loan is sanctioned and utilised	Amount sanctioned as per Sanction Letter	Date of draw down	Amount of term loan draw down (Rs. in millions)	Amount of utilisation of term loan from April 1, 2018 to September 30, 2024 (Rs. in millions)	Amount of term loan outstanding as at September 30, 2024 (Rs. in millions)*
State Bank of India	Term Loan	Enhancement of Capex capabilities	1,000.00	01-Oct-21 17-Mar-23	700.00 300.00	1,000.00	845.38
State Bank of India	Term Loan	Emergency credit line limit	187.60	15-Jun-21 16-Jun-21 18-Jun-21 21-Jun-21 30-Jun-21 30-Jun-21 08-Jul-21 13-Aug-21 21-Aug-21 28-Sep-21	50.00 11.86 71.24 0.30 0.20 50.00 3.27 0.40 0.05 0.28	187.60	70.28
IndusInd Bank Limited	Term Loan	Enhancement of Capex capabilities	750.00	07-Jan-21 11-Feb-21	375.00 375.00	750.00	525.00
IndusInd Bank Limited	Term Loan	Enhancement of Capex capabilities	500.00	31-May-24 07-Aug-24 12-Aug-24 20-Aug-24	250.00 15.15 3.60 15.33	284.08	283.61
ICICI Bank Limited	Term Loan	Emergency credit line limit	139.80	31-Mar-21	139.80	139.80	49.51
Axis Bank Limited	Term Loan	Enhancement of Capex capabilities	500.00	14-Mar-24 25-Apr-24 24-Apr-24 25-Apr-24 03-May-24 04-May-24 16-May-24 17-May-24 20-May-24 21-May-24 24-May-24 28-May-24	250.00 9.15 33.11 0.22 14.19 12.15 17.98 7.33 10.35 100.00 17.40 28.00	499.89	499.61

Sai Life Sciences Limited

CIN: U24110TG1999PLC030970

Registered Office:

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Gachibowli Miyapur Road, Gachibowli,
Hyderabad-500032, Telangana, India.

HDFC Bank Limited	Term Loan	Enhancement of Capex capabilities	500.00	30-Apr-20	500.00	500.00	218.75
HDFC Bank Limited	Term Loan	Enhancement of Capex capabilities	500.00	30-Mar-24	500.00	500.00	499.88
Kotak Mahindra Bank Limited	Term Loan	Enhancement of Capex capabilities	750.00	29-Aug-20	750.00	750.00	559.41
Kotak Mahindra Bank Limited	Term Loan	Emergency credit line limit	113.90	26-May-21	113.90	113.90	54.01

*Amount is after adjustment of processing fees effective interest rate as required under Ind AS 109.

For and behalf of **Board of Directors of Sai Life Sciences Limited**



Sivaramakrishnan Chittor



Authorised Signatory

Place: Hyderabad

Date: November 26, 2024

Independent Auditor's Certificate on the utilisation of working capital loans for the purpose availed

To
The Board of Directors
Sai Life Sciences Limited
Plot No. DS- 7, IKP Knowledge Park,
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2. In connection with the proposed initial public offering of equity shares (the "Offer") of Sai Life Sciences Limited (the "Company"), the Company is required to obtain a certificate from the Statutory Auditors, with regard to the utilisation of loans taken by the Company, for the purpose availed, as required by Clause (9)(A)(2)(b) of Part A of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations").
3. The accompanying statement of utilisation of working capital loans as at September 30, 2024, for the purpose availed by the Company, as per the requirement of the ICDR Regulations (the "Statement") is prepared by the Management of the Company, which we have initialed for identification purposes only.

Management's Responsibility for the Statement

4. The preparation of the accompanying Statement is the responsibility of the Management of the Company including the maintenance of all accounting and other relevant supporting records and documents. This responsibility includes collecting, collating, validating and designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
5. The Management is also responsible for ensuring:
 - a. the utilisation of working capital loan for the purpose availed;
 - b. completeness and accuracy of the details provided in the attached Statement; and
 - c. compliance with the requirements of the ICDR Regulations.

Auditor's Responsibility

6. Our responsibility is to obtain limited assurance and conclude as to whether the financial information provided in the Statement is in agreement with the Audited Standalone Financial Statements as at and for the six months period ended September 30, 2024 and underlying audited books of accounts and other records.

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7. The Audited Standalone Financial Statements as at and for the six months period ended September 30, 2024 referred to in paragraph 6 above, have been audited by us on which we issued an unmodified audit opinion vide our report dated November 26, 2024. Our audit of these financial statements were conducted in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
8. We conducted our procedures on the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
10. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence that vary in nature, timing and extent than a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.
11. We have performed the following procedures in relation to the Statement:
 - a. Obtained the details of working capital loans availed by the Company from the management of the Company;
 - b. Obtained the loan sanction letters/ loan agreements for the working capital loans included in the Statement from the Management and compared the purpose of loan and the sanctioned amount as per the said sanction letter with the purpose of loan and sanctioned amount mentioned in the Statement;
 - c. Traced the outstanding balance of working capital loans as at September 30, 2024 as set forth in the Statement with amounts appearing in the audited books of accounts of the Company as at September 30, 2024 and found such amounts to be in agreement;
 - d. Traced the total current assets and total current liabilities as at September 30, 2024 as set forth in the Statement with amounts appearing in the audited books of accounts of the Company as at September 30, 2024 and found such amounts to be in agreement;
 - e. Re-computed the mathematical accuracy of the Statement and found it to be correct; and
 - f. Conducted relevant management inquiries and obtained necessary representation.
12. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

Conclusion

13. Based on our examination as above, and the information and explanations given to us, nothing has come to our attention that causes us to believe that the financial information provided in the Statement are not in agreement with the books of accounts and other records made available to us in respect of the loans outstanding as at September 30, 2024.

WJ

Deloitte Haskins & Sells LLP

Restriction on Use

14. This Certificate has been issued at the request of the Company for the use of the Management of the Company in relation to the Offer and is not intended to be and should not be used for any other purpose without our prior written consent except that this certificate can be shared with the book running lead managers and the legal advisors involved in the Offer for onward submission to Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited, Registrar of Companies, Telangana at Hyderabad or any other regulatory authorities as required by law in India. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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



Sathya P. Koushik
Partner
(Membership No. 206920)
UDIN: 24206920BKAOED5543

Place : Bengaluru
Date : November 26, 2024

Annexure I
Statement of utilization of working capital loan for the purpose availed as at September 30, 2024
Table A - Working capital loans availed by the Company

				Rs. in millions
Name of the lender	Nature of working capital loan	Purpose as mentioned in the sanction letter/ loan agreement	Amount sanctioned as per Sanction Letter	Amount of loan utilised for working capital and outstanding as at September 30, 2024
State Bank of India	Working Capital Fund Based	Working Capital requirement	1,550.00	1,474.64
IndusInd Bank Limited	Working Capital Fund Based	Working Capital requirement	960.00	853.39
Bank of Baroda	Working Capital Fund Based	Working Capital requirement	920.00	916.24
DBS Bank India Limited	Working Capital Fund Based	Working Capital requirement	550.00	299.99
ICICI Bank Limited	Working Capital Fund Based	Working Capital requirement	250.00	146.37
Axis Bank Limited	Working Capital Fund Based	Working Capital requirement	650.00	52.66
HDFC Bank Limited	Working Capital Fund Based	Working Capital requirement	400.00	1.40
Kotak Mahindra Bank Limited	Working Capital Fund Based	Working Capital requirement	220.00	194.59
IndusInd Bank Limited	Buyers Credit	Working capital requirement	430.00	24.13
ICICI Bank Limited	Buyers Credit	Working capital requirement	340.00	62.37

Table B - Net working capital position as at September 30, 2024
Rs.

Particulars	Amount as at September 30, 2024
Total current assets as per standalone financial statements	10,068.99
Total current liabilities as per standalone financial statements (refer note 1 below)	8,197.80
Net working capital position	1,871.19

Notes:
Sai Life Sciences Limited

CIN: U24110TG1999PLC030970

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Hyderabad-500032, Telangana, India.



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1. Working capital loans referred to in Table A are included in the total current liabilities referred to in Table B.
2. Based on the positive working capital position as at September 30, 2024, the working capital loans outstanding as at September 30, 2024 referred to in 'Table A' above have been considered to be utilized for the purpose for which they are sanctioned.

For and behalf of **Board of Directors of Sai Life Sciences Limited**

A handwritten signature in blue ink, appearing to read "Sivaramakrishnan Chittor", written over a horizontal line.

Sivaramakrishnan Chittor

Authorised Signatory



Place: Hyderabad

Date: November 26, 2024