

Annual  
Report | 2024



OneSource  
Infinite  
Possibilities

*Note: The OneSource logo featured in this report is temporary. The finalized logo and branding will be launched in October 2024.*



Transitioning from



**Stelis**  
Biopharma to

**OneSource**

Since our inception in 2013 as a subsidiary of Strides, at Stelis, we have evolved into a leading Contract Development and Manufacturing Organisation (CDMO) that caters to several biopharma and biotech companies. Over the years, we have built a robust CDMO platform that spans the entire CDMO value chain, from clinical development to technology transfer to commercial manufacture and regulatory assistance.

With the global biopharmaceutical sector now gaining momentum, pharmaceutical players are leaning towards a partnership model for developing and manufacturing their existing products and future pipelines. Recognising this, we chose to evolve and diversify our offerings.

We announced during September 2023, the foundation of OneSource which will bring together the unique Manufacturing capabilities of group under one umbrella.

# OneSource

↓  
Demerger of

**Strides Pharma Science Limited's**  
identified CDMO Business and Oral  
Soft Gelatin Business

&

**Sterisience Specialties Private  
Limited's** CDMO injectables Business

↓  
In to

**Stelis Biopharma Limited**

↓  
Since February 2024, Stelis  
Biopharma Limited has been  
renamed to OneSource  
Specialty Pharma Limited

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[www.stelis.com](http://www.stelis.com)

#### Forward-looking statements

Some of the information in this report may contain forward-looking statements, which include statements regarding the Company's expected financial position and results of operations, business plans and prospects, etc. They are generally identified by forward-looking words, such as "believe", "plan", "anticipate", "continue", "estimate", "expect", "may", "will", or other similar words. Forward-looking statements are dependent on assumptions or the basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that the actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.



# OneSource

## Infinite possibilities.

At OneSource, we have emerged as one of the prominent global biopharmaceutical Contract Development and Manufacturing Organisations (CDMO). Globally, the group is known for its quality, compliance and strong track record and a trusted supplier to highly regulated markets

Over time, we have honed our capabilities, which are now tailored to provide comprehensive development and manufacturing services throughout the lifecycle of biologics and complex products. As a key player in soft gelatin technologies, we have also gained a strong funnel of opportunities and solid partner-led Rx penetration. Our extensive expertise in injectables, coupled with our wide-ranging capabilities, positions us as a formidable CDMO player for complex and ready-to-use products.

We maintain a persistent emphasis on precision, efficiency and agility

to swiftly adapt to evolving client requirements. Our objective is to provide quality offerings that are both effective and futuristic.

We now stand at an inflection point, transitioning from Stelis Biopharma Limited to One Source Specialty Pharma Limited. Notwithstanding this shift, our commitment to deploying advanced technologies and enhancing our competencies remains steadfast. We look forward to uniquely catering to the specialised needs of our global client fraternity across the biopharmaceutical spectrum. Our strides in innovation and digitisation,

including the implementation of eLog and the extension of the BIOVIA application to multiple products, reaffirm our dedication to excellence.

For FY 2023-24 and beyond, our optimism is fuelled by an integrated business model that encompasses multiple revenue streams from small molecules, biosimilars and biologics across both drug substance and drug products.

At One Source, we will continue to shape the future of biopharmaceutical development and manufacturing, embracing the myriad possibilities that lie ahead.



## Performance highlights and review of FY24

### Revenue

(₹ in crore)

FY 2023-24		<b>176.14</b>
FY 2022-23		<b>41.41</b>

### EBITDA

(₹ in crore)

FY 2023-24		<b>(84.01)</b>
FY 2022-23		<b>(158.00)</b>



### Capital Employed=Total Assets-Current Liabilities

(₹ in crore)

FY 2023-24		<b>678.02</b>
FY 2022-23		<b>1,143.59</b>

### Total Assets

(₹ in crore)

FY 2023-24		<b>1,308.61</b>
FY 2022-23		<b>2,008.81</b>

### PAT

(₹ in crore)

FY 2023-24		<b>(391.70)</b>
FY 2022-23		<b>(797.74)</b>

### ROCE

(%)

FY 2023-24		<b>(12)</b>
FY 2022-23		<b>(14)</b>



### Net Worth

(₹ in crore)

FY 2023-24		<b>395.71</b>
FY 2022-23		<b>785.45</b>

### Total Liabilities

(₹ in crore)

FY 2023-24		<b>912.90</b>
FY 2022-23		<b>1,223.36</b>

#### Turnaround Performance

We achieved positive quarterly revenue and profitability for the first time during the financial year. Progress was made as we successfully delivered our biggest quarterly revenue and achieved **positive EBITDA** for the first time. We are on track for a fully positive year in FY25.

#### Strengthening Balance Sheet

The most significant achievement during the year was the **divestment** of our multi-modal manufacturing facility (Unit III) to Syngene and **retiring our debt by over 50%**. This has helped in correcting our Balance Sheet and Financial Position.

#### Investment

Our investments in the development of biosimilars are expected to strengthen our **long-term growth prospects**. We had **invested an amount of Rs. 183.07 Crores on Teriparatide** which has now seen substantial progress with the EMA approval secured and multiple customer contracts executed. The commercialisation activities are in place and we expect the product to be in the market in Q1 FY25.

#### Consolidation

The consolidation is anticipated to expand our offerings into soft gels and generic injectables and broaden our market reach. It is expected to generate significant operational synergies and pave the way for **becoming debt-free**.



## Who are we

# One-stop solution provider

OneSource Specialty Pharma Limited (Formerly Stelis Biopharma Limited), is one of India’s first Independent Specialty Pharma Contract Development and Manufacturing Organisations (CDMO).

Founded with the aim of biopharmaceutical development, we have grown into one of the prominent players in the sector. Over the years, we have positioned ourselves as a preferred CDMO partner, offering end-to-end services across various pharmaceutical segments. From biologics to drug-device combinations and oral solid formulations, our diverse portfolio and specialised expertise enable us to cater to a wide range of customer needs comprehensively. We serve customers across Europe, America, and India, and aim to expand into Southeast Asia and Latin America.

In the year 2023, we decided to bring the other CDMO businesses which are housed in Strides and Steriscience into OneSource. With this, the offerings of OneSource Expanded into soft gelatins and generic injectables as well.



**The consolidation aims to achieve substantial operational synergies. This transformation positions us as a leading specialty CDMO, poised to attain a prestigious status in the pharmaceutical manufacturing sector.**



Operational Excellence



Compliance and Quality Focus



Technological Advancements



Project Delivery



Strategic Partnerships and Collaborations





## Values

### **Integrity**

Adhere to ethical practices and maintain transparency in our conduct, fostering a culture of trust & integrity in the organisation

### **Competence**

Develop and effectively apply the knowledge, abilities and skills to successfully and consistently deliver desired outcomes

### **Efficiency**

Agile and collaborative to deliver quicker and better results

## Why OneSource

OneSource is on an upward trajectory with a solid foundation in infrastructure, expertise and a growing customer base.

We are transforming into a one-stop solution provider by bringing together three different businesses under the same umbrella:

Biologics

Soft Gelatin capsules

Complex and drug device combination



**This one-stop-shop approach brings:**

- ▶ Convenience for customers who can now source all their needs from a single supplier.
- ▶ Expertise across a wider range of disciplines.
- ▶ Streamlined communication and project management.
- ▶ Potential cost savings through economies of scale.
- ▶ New customers seeking the unique capabilities and comprehensive services offered by OneSource.
- ▶ Retaining existing customers through successful project delivery and a high focus on quality and compliance.
- ▶ Increasing our market share in the high-growth biologics market

## Founder's letter



**Prioritizing customer satisfaction, engaging meaningfully with our clientele, and maintaining transparency and trust, we aim to build lasting relationships with our customers.**



### Dear Shareholders,

As the company enters an exciting period of transformation and growth, it is an opportune moment to reflect on our journey thus far and the strategic path that lies ahead. The transition from Stelis Biopharma to OneSource represents a significant milestone in our journey, demonstrating our commitment to excellence and innovation as well as aligning our vision to be a leading Specialty Pharma CDMO partner to the global biopharma industry. With OneSource, we can more clearly convey our comprehensive end-to-end capabilities and position ourselves for the next phase of our growth story.

We are currently in the process of integrating our complex injectables and soft gelatin businesses into OneSource. Legal integration is progressing, marking a pivotal step in our evolution, with completion expected by the end of this fiscal year. As our brand identity evolves, our steadfast commitment remains unchanged: empowering our customers to enhance patient lives through the provision of top-tier products. This transition underscores our dedication to maintaining the highest standards of quality and compliance, operational excellence, and, above all, delivering exceptional value to our customers.

### OneSource Vision:

OneSource is poised to be India's first specialty pharma CDMO company formed through the consolidation of biologics, sterile injectable fill-finish including drug-device combinations, and oral technologies (Soft Gelatin capsules). On completion of the merger process, OneSource is set to emerge amongst Top 5 Indian CDMO players.

The consolidation of the three businesses will create one of the largest specialty CDMO companies in the Asia Pacific region offering end-to-end solutions across tech platforms & therapeutic modalities. OneSource will operate with five state-of-the-art USFDA as well as other major regulatory-approved facilities and

provide services across the value chain from development right up to commercial manufacturing.

With over 200 scientists and 1200 employees, OneSource will have extensive expertise across multiple dosage formats, from oral solids to injectables, and from peptides to mRNA and cell & gene therapies.

## Opportunities & Trends

The global pharmaceutical and CDMO industry is undergoing rapid change, driven by scientific and technological advancements as well as shifting customer needs. Some key opportunities and trends we see shaping the industry landscape include:

- ▶ CDMO Industry Growth - The global CDMO market is expected to grow at ~13% over 2022-27 (vs. 11% over 2018-22). Through OneSource, we aim to capture part of this market by providing offerings across tech platforms & therapeutic modalities, best-in-class quality environment, and exceptional customer advocacy.
- ▶ Accelerating the pace of biologics innovation - A combination of incremental R&D spends along with higher focus on outsourcing would continue to be the key growth drivers over the next 5 years. Global pharma R&D spends are expected to grow at ~7% CAGR and the outsourcing penetration is expected to reach ~39% by 2027. The Biologics Market size is estimated at USD 373.5 billion in 2024, and is expected to reach USD 615 billion by 2029, growing at a CAGR of 10.49% during the forecast period (2024-2029). As a specialty pharma CDMO with integrated capabilities, we are wellpositioned to partner on cutting-edge biologics.
- ▶ Rising demand for complex formulations – Patient-centric drug delivery solutions are driving growth in complex drug-device combinations and formulations. Our expertise across multiple

dosage forms equips us to meet this demand.

- ▶ Increasing outsourcing by originators - Facing pressures to optimize costs and accelerate development timelines, innovators are increasingly leveraging CDMOs. With our track record of quality and regulatory compliance, we are an ideal strategic partner.
- ▶ Focus on emerging markets - High disease burden and growth in middle-class populations in Asia, Latin America and Africa offers expansion opportunities for pharma. Our manufacturing footprint in key geographies positions us well to serve these markets.

By closely tracking these trends and building the right capabilities, we aim to capitalize on the most promising opportunities. Our vision is to enable cutting-edge innovation along with unique capabilities & extensive capacities that can provide end-to-end solutions to our customers.

## FY 25 Outlook

Looking at Stelis standalone performance, FY24 is focused on building the customer funnel and onboarding new customers, we have onboarded 15 new projects from 12 global customers in FY24. This resulted in Stelis achieving its highest ever revenue in Q4 and becoming EBITDA positive for the very first time.

Our contracting of new manufacturing service agreements (MSAs) has strengthened further during FY24. We secured \$74 million in MSAs, of which \$43 million were secured in FY24 alone so far. Our total customer base has expanded to 26 including top global companies after USFDA approvals.

Furthermore, our operations have been enhanced with various debottlenecking initiatives, resulting in increased manufacturing output and we are committed to further expanding our capacity in FY25 with the addition of a new high-speed vial line. Our primary

focus will be on fostering customer advocacy and establishing the highest reputation in the industry. We are committed to delivering exceptional customer experiences, which we believe is key to our long-term success. By prioritizing customer satisfaction, engaging meaningfully with our clientele, and maintaining transparency and trust, we aim to build lasting relationships with our customers. Our dedication to quality, compliance, and continuous improvement will ensure we meet and exceed industry standards, solidifying our position as a trusted and customer-centric company.

Revenue growth for FY25 is significant, driven by a strong order book and recently signed agreements. Our robust pipeline of projects and strategic partnerships positions us well to capitalize on market opportunities and achieve our financial targets. These agreements not only reflect our industry leadership but also our commitment to delivering exceptional value to our clients. We are confident that our focused approach and solid foundation will translate into sustained revenue growth and enhanced market presence throughout the fiscal year.

By the end of the next fiscal year, our goal is to firmly establish our new brand identity as a leading CDMO partner. The name OneSource will represent unparalleled quality, innovation, and reliability. Our customers and shareholders can trust in our bright future ahead.

## Gratitude and Looking Forward

In conclusion, I extend my heartfelt gratitude to all our shareholders and our employees for their unwavering support and trust in us. The journey ahead is promising, and together, we are poised to achieve new milestones and create lasting value.

Thank you for being a part of our journey.

Regards,  
**Arun Kumar**

## Managing Director's communique



**Our employees are the driving force behind our achievements, and we remain committed to their growth and well-being. With over 500 employees, including more than 50 scientists and techno-commercial leaders, we are dedicated to fostering a culture of excellence and innovation.**



### Dear Shareholders,

I am pleased to present the annual report for FY 2023-24 on behalf of our Board of Directors. This year has marked a period of significant change and an inflection point in our journey. We have transitioned from being a Strides subsidiary to a fully integrated, pure play multi modalities biopharmaceutical Contract Development and Manufacturing Organization (CDMO). Our focus on providing end to end services to our customers, integrated development offerings, agility and customer centricity has led to a significant jump in our customer base with several top 10 global generics players. In FY 25, our expanded capabilities will include biologics, drug-device combinations, complex injectables, dedicated facility for penicillin and soft gelatin capsules which will give a further fillip to our business development activities and customer base.

### Stelis Growth: Annual Progress Overview

Compliance and quality track record has been adjudged as the topmost evaluation criteria by our CDMO customers. I am pleased to inform you of back-to-back EU and USFDA GMP approvals for our flagship facility, Unit 2, in 2022 which has further strengthened Stride group's 2 decade unblemished quality and compliance credentials track-record.

Buoyed by adequate capacity, long term visibility, agility in execution and customer centricity, we have increased our revenue stream by adding 15 new projects from 12 global customers during FY 24. The total value of MSAs has increased by 35%, reaching \$42 million this fiscal year which is more than sum total of last 4 years (\$31 million). Beginning FY 25, we will start generating CSA revenues, projected CSA revenue from already signed customers is \$382 million during FY 25 – FY 28.

### To give you an update on our key offerings:

- ▶ We have seen notable progress in drug-device combinations. At the end of FY 24, our customer base stood at 13 with 21 projects. Driven by ease of administration, global demand for DDCs has seen double digit growth. DDCs are increasingly being preferred for delivering Biologics and GLP1 class of drugs. At Stelis, we are in a commanding position to support our global customer base with fill finish, device assembly, labelling and packaging solutions across multiple platforms as a pure play independent CDMO.
- ▶ We have seen notable progress in drug-device combinations. At the end of FY 24, our customer base stood at 13 with 21 projects. Driven by ease of administration, global demand for DDCs has seen double digit growth. DDCs are increasingly being preferred for delivering Biologics and GLP1 class of drugs. At Stelis, we are in a commanding position to support our global customer base with fill finish, device assembly, labelling and packaging solutions across multiple platforms as a pure play independent CDMO.
- ▶ In Complex injectables, Stelis state of the art filling lines for PFS and vials are equipped with isolators. To date, our customer base has grown by 11, involving 16 projects for complex injectables.

During the last fiscal year, we divested our Unit-3 facility. This strategic move has significantly reduced our debt burden, further strengthened our financial position and ensuring long-term stability.

We ended the year with highest ever quarterly revenue in Q4 which helped the company deliver its first EBITDA positive quarter (Q4 FY24).

### Strengthening Organization for execution and customer centricity:

We continue to invest in people and capabilities to build a strong foundation to deliver one stop solution to our customers. Our employees are the driving force behind our achievements, and we remain committed to their growth and well-being. With over 500 employees, including more than 50 scientists and techno-commercial leaders, we are dedicated to fostering a culture of excellence and innovation.

### Building a Better Future: Our ESG Initiatives

We are proud to announce that 78% of our energy needs is now met by renewable sources and we aim to become 100% renewable dependent by 2030.

We are committed to supporting local community infrastructure in Doddaballapur, where our flagship facility is located through initiatives such as distributing a garbage pickup truck, installing an RO water unit, and improving school environment. These efforts underscore our commitment to sustainability and ethical business practices, as we strive to create positive impacts on both society and the environment.

### Stelis Biopharma to OneSource:

Understanding the importance of delivering superior service and providing end-to-end solutions across various platforms, we embarked on a strategic initiative to consolidate groups various operations under one

umbrella. Thus, last year, we initiated a transformation, changing our name from Stelis Biopharma Limited to OneSource Specialty Pharma Limited. While the rebranding signifies our commitment to unity and clarity, it's important to note that the legal formalities to integrate the other two businesses, namely Soft Gelatin and Complex Injectables, into OneSource are currently in process. We intend to complete this integration by this fiscal year. This consolidation aims to create India's first specialty pharma CDMO. By integrating our capabilities and resources, we aim to present a unified and compelling proposition to both our existing and potential new clients.

### To conclude:

As we move forward, we will continue to prioritize delivering quality products and ensuring compliance while expanding our client base and diversifying our portfolio.

I extend my sincere gratitude to our stakeholders, customers, partners, and staff for their ongoing collaboration. With promising opportunities ahead, we are well-prepared to embrace them through our commitment to excellence in all aspects of our operations.

Regards,  
**Neeraj Sharma**

## In conversation with the CFO



**We have made significant strides in automating our systems to enhance efficiency and streamline processes. Our Biovia application has been successfully deployed across a range of products.**



**Q** Could you please elaborate on the major highlights and achievements for FY24?

**A** In the year gone by, we have gradually strengthened our capabilities in line with the expanding opportunities in the global pharmaceuticals and biologics space. With a sharper focus and a stronger balance sheet, we are now equipped to address a substantial market opportunity in the CDMO landscape.

To be more specific, the divestment of our multi-modal manufacturing facility to Syngene has stood out as a pivotal moment. It has enabled us to retire over 50% of our debt and deleverage our balance sheet.

On the business front, we have received multiple repeat customers for new projects, solidifying our position as a trusted CDMO partner for major pharmaceutical companies. We are happy to have onboarded several global leaders as our esteemed customers, expanding our reach and influence in the industry. As evidence of our continued progress, our customer base has flourished, with a total of 19 projects across various clients—a remarkable advancement compared to previous years. In this context, it is essential to acknowledge the pivotal role played by our attainment of US FDA Certification during the previous fiscal year. Undoubtedly it has been instrumental in driving business growth for us during the fiscal.

We have also crossed our breakeven point in the last quarter of this financial year. This was primarily possible only because of the large number of customer contracts executed. We expect this to continue in the longer term.

During the fiscal year, the commencement of our first Mammalian Drug Substance programme with a prominent pharma company marked a significant milestone in our journey towards innovation and growth.



**Q What were your cost optimisation strategies to ensure long-term sustainability and growth prospects? Could you highlight one specific example, where we can showcase the impact of our initiatives?**

**A** As a CDMO, we ensure that we provide our clients with the most reasonable cost structure; and this might need a few modifications to our infrastructure to improve the output or production capacity. During the year, we discussed one such opportunity with a client, which doubled our existing capacity with a small investment in the Cartridge line. Considering a significant benefit, the customer after a review and discussions - agreed to fund this programme.

**Q In terms of technological intervention for improving processes across drug development and manufacturing, what are some of the major focus areas? What are the anticipated interventions for the next financial year?**

**A** We have made significant strides in automating our systems to enhance efficiency and streamline processes. Our Bivio application has been successfully deployed across a range of products. This is done by specifically targeting the automation of the Quality Control (QC) function. Technology plays a crucial role in ensuring quality assurance by automating various methods and procedures required for product output. The system not only manages these tasks but also generates readings, further optimising our workflow.

Concurrently, we have continued to advance our digitisation programme across the organisation. As a result, we have successfully implemented eLog for 75% of the various formats within Drug Substance, Drug Product, Quality Control, Quality Assurance, and Engineering.

Moving forward, our focus remains on completing the digitisation process, with the remaining 25% of formats slated for completion by the first quarter of FY25.

**Q The Company has made considerable investments in the development of biosimilars. Give us some more colour as to how this is expected to support its long-term growth prospects. Are there any other investments, which you wish to emphasise?**

**A** Our substantial investments in the development of biosimilars are poised to significantly strengthen our long-term growth prospects. The successful fruition of these investments is exemplified by our Teriparatide project, which has seen substantial progress with the EMA approval secured and multiple customer contracts executed.

Moreover, we have also completed significant development activities on the Insulin Analogs which has been partly funded by BIRAC. While these efforts have shown promising results, we recognise the need for prudent financial management. Consequently, we have strategically opted to put further development on hold until we secure the right partnership to advance the program to its next phase. This approach ensures that we maximize the potential of our investments while mitigating risks and aligning with our long-term growth objectives.

**Q You are planning the consolidation of the CDMO business and Soft Gelatin business of Strides and the CDMO business of Steriscience with Stelis. How is this anticipated to integrate synergies and enable better supervision of the businesses?**

**A** We are positioning Stelis as a preferred CDMO partner to our customers and provide them with multiple offerings within the same entity. This move eliminates the need for customers to

engage with multiple teams within the group. In line with this, the Promoter has decided to bring the other CDMO businesses, which are housed in Strides and Steriscience into Stelis. Additionally, expanding our offerings into soft gels and generic injectables broadens our market reach. The consolidation is anticipated to generate significant operational synergies and pave the way for becoming debt-free within the next couple of years.

**Q What are your Company's strategic priorities for the future, and how do you plan to achieve them?**

**A** We have several strategic priorities for the future. Starting from finalising the consolidation of our operations, aimed at establishing a more efficient and cohesive business structure.

We are also strategically positioned for significant growth with the imminent launch of GLP1. Leveraging our approved site at Stelis, we are on track for a successful launch, with the commercialisation slated for the following year. This underscores our commitment to innovation and market expansion, positioning us as a key player in the pharmaceutical industry.

Additionally, the planned launch of Teriparatide in Q1 FY 2025 further reinforces our dedication to product innovation and market diversification. With registration already underway, we are poised to introduce another groundbreaking product to our portfolio, which will catalyse our market penetration and growth.

Lastly, we are steadily pursuing initiatives to optimise our production capabilities. Completing the de-bottlenecking of capacities at our Unit 2 facility and installing a new high-speed vial line during FY25 are key steps in enhancing our production efficiency. These efforts will enable us to meet the increasing demand, while minimising capital expenditure, ensuring sustainable growth in the long term.

## Guided by Visionary Leadership



**Arun Kumar**

Founder and  
Non-Executive Director

A first-generation entrepreneur with an intellect of picking ‘difficult to operate’ domains with high scarcity value. Recipient of the E&Y Entrepreneur of the Year Award in the Healthcare sector in 2000, Business Today ‘India Best CEO Award (Mid-Sized Companies Category)’, and the ‘Best CEO in the Pharma & Healthcare Industry’ in 2014.



**Neeraj Sharma**

Managing Director

In a distinguished career spanning of 28 years, Neeraj has resided and worked in pharma markets in India, South-East Asia, Latin America, and Europe. A seasoned professional, Neeraj has extensive General Management and P&L experience, steering businesses through pivotal stages such as market entry, growth leadership, turnarounds and M&A integration. His experience encompasses both highly regulated and emerging markets, providing him with a discerning perspective on the pharmaceutical industry. Neeraj brings a wealth of experience to his role as Managing Director at Stelis Biopharma.



**Bhushan Bopardikar**

Non-Executive Director

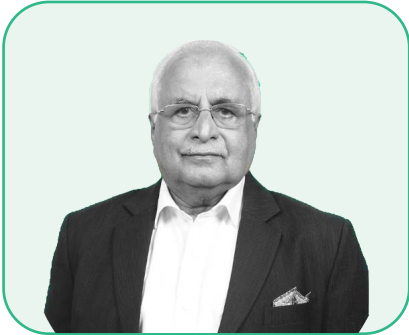
Bhushan Bopardikar serves as Director at TPG Growth based in Mumbai and leads investments in the healthcare and consumer sectors. Prior to joining TPG in 2019, Bhushan had spent several years in private equity with firms like Eight Roads Ventures, the private equity arm of Fidelity, where he covered investments across India and South East Asia, and an Indian private equity firm, Samara Capital. Within healthcare Bhushan focuses on biotech, healthtech, nutraceuticals and animal health. Earlier, he also served as Vice President at Eight Roads Ventures. Educational details: BS. (Hons.) in Industrial Engineering and Economics, from Purdue University.



**Mahadevan N**

Non-Executive Director

Mahadevan (Mahad) is a Senior Advisor to TPG Capital, a global private equity fund manager with > \$100B assets under its management. At TPG, Mahad focuses on the healthcare and life sciences sectors, evaluating new investments in the sector and driving value creation initiatives in portfolio companies in India. He also co-founded Akna Medical, the leading hospital-focused medical distribution platform in India, which was acquired by API Holdings (Pharmeasy).



**Dr. Gopakumar Nair**

Non Executive,  
Independent Director

With 40+ years of experience in Pharma Industry as Director, Managing Director & Chairman of various public limited pharma companies. Has also served Industry Associations for more than 35 years in various capacities, latest as President of Indian Drug Manufacturers' Association (IDMA), during 1999-2000.

He is currently IPR Committee Chairman of Indian Drug Manufacturers' Association (IDMA).



**Ms. Rajashri Ojha**

Non Executive,  
Independent Director

Ms. Rajashri Ojha is a Global RA GMP consultant and a Lead Auditor & Trainer with over 33+years of very versatile experience in pharma industry. Starting her career from Scientist in R & D, Analytical & Formulation, QA-QM, till handling GLOBAL regulatory Affairs and getting marketing approvals across the globe.

### Our leaders

With extensive industry expertise and a proven track record of delivering complex biologics programmes for top companies, our leadership team continues to guide Stelis to new heights of success.



**Neeraj Sharma**

Managing Director



**Kannan PR**

Executive Director and Chief  
Financial Officer (until June 17, 2024)



**Frank Ternes**

Chief Business Officer



**Prateek Gupta**

Head of Process  
Development and MSAT



**Anurag Bhagania**

Chief Financial Officer  
effective July 04, 2024.

# Our Value Creation Model



**Truly One-stop Solution Provider**

Integrated end-to-end provider with high-quality tech transfer, process development, manufacturing, fill and finish and release biologics capabilities.

Process  
Development

Drug  
Substance

**Fundamentals of  
our value creation**

- ▶ Worldwide Quality and Compliance (Icons of US FDA, EU GMP and others)
- ▶ Flexible and Partner-centric

## Corporate Information

**Board of Directors:**

**Gopakumar Nair**  
Non-Executive Director and Independent Director

**Rajashri Ojha**  
Non-Executive Director and Independent Director

**Neeraj Sharma**  
Managing Director

**Arun Kumar**  
Founder & Non-Executive Director

**Bhushan Bopardikar** -  
Non-Executive Director

**Mahadevan Narayanamoni**  
Non-Executive Director

**PR Kannan**  
Executive Director & CFO

**Chief Financial Officer  
(until June 17, 2024):**

**PR Kannan**

**Chief Financial Officer  
(effective July 04, 2024)**

**Anurag Bhagania**

**Company Secretary:**

**Trisha A**

**Statutory Auditors**

Deloitte Haskins & Sells Chartered Accountants Prestige Trade Tower, Level 1946, Palace Road, High Grounds Bengaluru – 560001

**Registered Office:**

Star I, Opp IIM Bangalore, Bilekahalli, Bannerghatta Road, Bengaluru - 560 076 India



A scientist wearing a white lab coat, a white hairnet, safety glasses, and a white face mask is working in a laboratory. They are holding a glass flask containing a purple liquid. The background shows various laboratory equipment, including a large glass flask and a blue-capped bottle. The entire image has a blue and green color overlay.

# Our Strategic Priorities

We are confident we are uniquely positioned for growth by leveraging our strengths, and our positive momentum, and focusing on the following strategic priorities as our guiding principles. Our capabilities are tailored to provide development and manufacturing services throughout the lifecycle of biologics and complex products.

# Operational excellence

## Manufacturing capabilities

Our manufacturing capabilities are the essence of our business, driving growth and assisting innovation in every step of our journey. Each of our state-of-the-art facilities is fully equipped to deal with our constant growth and rising demand.

Our biologics production has grown significantly with capacity increasing from 10L to 300L annually. We have achieved impressive results through operational improvements, doubling batch outputs and reducing cycle times. We are streamlining production by debottlenecking and capitalising on new opportunities with recently approved biosimilars and biologics.

### Unit 1

(Jigani Link Road, Bommasandra, Karnataka)



Designated R&D unit of the company

**Regulatory standards:**

USFDA, EUGMP, MHRA, WHO

**Capability for biologics development:**

- ▶ Cell-culture/fermentation process optimisation
- ▶ Detailed analytical and bioassay development and validation
- ▶ Risk assessment using the FEMA tool to CPPs/KPPs
- ▶ Process characterisation to develop operating and design space for the CPPs and KPPs for manufacturing support

To include the below:

**2**  
State-of-the-art facilities

**85,000+**  
square metres  
Process development and manufacturing space

### Unit 2

(Plot # 2-D 1, Obadenahalli, Doddaballapura, Karnataka)



Designated CDMO unit of the company

**Regulatory standards:**

USFDA, EUGMP, MHRA, WHO

**1) Microbial facility**

- ▶ 1X 1000L stainless steel fermenter
- ▶ **Filtration:** Viral filtration, ultrafiltration and diafiltration
- ▶ Homogeniser (GEA) and centrifuge (GEA) integrated with fermenters

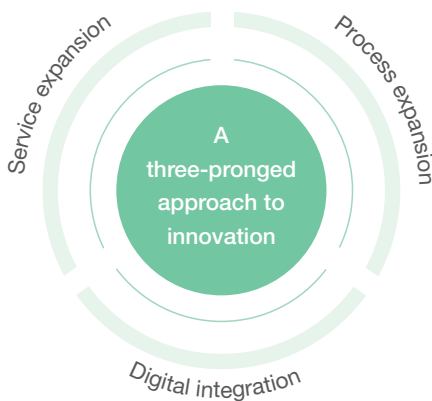
**2) Mammalian facility**

- ▶ 4X2000L bioreactors
- ▶ **Filtration:** Viral filtration, ultrafiltration and diafiltration
- ▶ Dedicated pre-culture suites, media and buffer preparation rooms



## Innovating and expanding our way forward

We believe that sustained growth is achieved through constant innovation. To cater to our growing customer base, we strive to provide the best services and thereby truly position ourselves as a one-stop solution provider.



### Service Expansion

- ▶ We are steadily increasing our end-market biologics investment to support innovation. This has already led us to transition to small molecules and new treatment areas.
- ▶ The new teriparatide project in collaboration with the European Medicines Agency (EMA) is an important step for us. In addition to the Teriparatide project, we have experienced significant developments in Insulin Analogs.

### Process Expansion

- ▶ At OneSource, we are expanding our infrastructure to meet the growing demand for meeting the needs of critical areas like cartridge line production.
- ▶ We have focused our technological interventions on improving processes across drug development and manufacturing.

### Digital integration

- ▶ We have advanced our digitisation program, prioritising the completion of digitisation for various formats within Drug Substance, Drug Product, Quality Control, Quality Assurance, and Engineering.
- ▶ By implementing **eLog for 75%** of the mentioned formats, we have made significant progress in our digitisation efforts. We seek to finalise the remaining 25% of formats by Q1 of FY25.

## Our Quality Quotient

We are committed to meeting /exceeding client expectations with our quality of service. At Stelis, quality is the bedrock of our operational excellence. Our motto is to reliably deliver services of global standards adhering to global regulatory and compliance guidelines.

### Key quality assurance highlights

- ▶ Our commercial manufacturing facility has been designed in consultation with an international regulatory agency (US FDA).
- ▶ Our strong quality culture at Stelis is maintained through the periodic governance of quality metric systems, risk management strategies and other continuous improvement initiatives.
- ▶ Leveraging advanced IT systems such as SAP Enterprise Resource Planning & Material Management, TrackWise QMS management, and BIOVIA Document Management, we ensure effective governance and smooth running of the systems.
- ▶ Our Quality Control and Analytical Development teams collaborate to transfer/validate analytical methods from process development to cGMP manufacturing.
- ▶ Our microbiology laboratory is qualified and well-designed and also has dedicated areas for culture handling, BET testing, Bioburden testing, and Sterility testing (in Isolators) ensuring contamination control within our manufacturing and testing facilities.

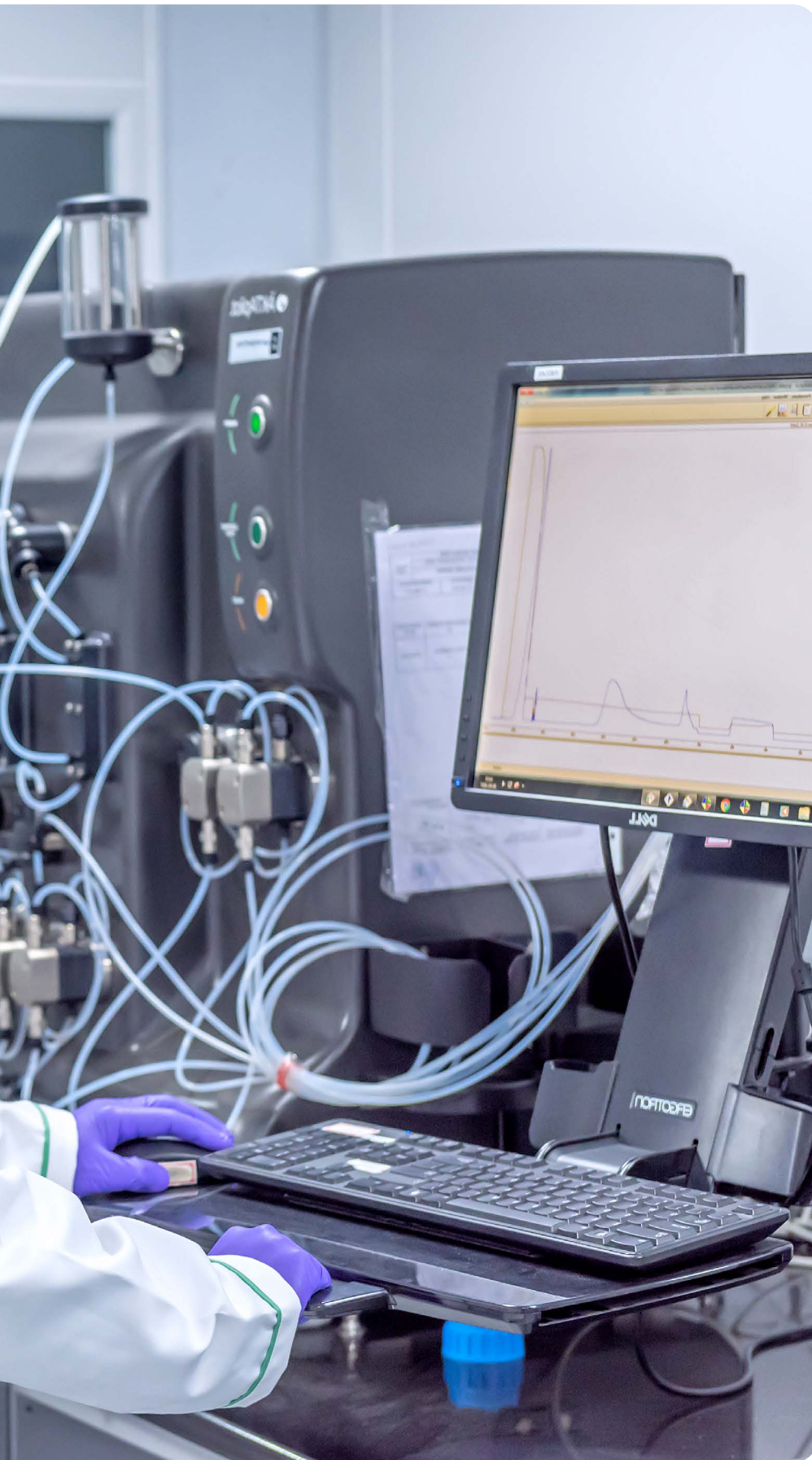


## Customer Engagement at OneSource

At OneSource, our priority is building long-term value through strong customer engagement and strategic partnerships. We have strategically chosen to pause further development until we secure the right partnerships to advance our programs to the next phase. This ensures that we maximise our investments' potential while aligning with our long-term growth objectives.

We are proud to have earned the trust of multiple repeat customers for new projects, solidifying our position as a trusted CDMO partner for major pharmaceutical companies. By onboarding several global leaders as customers, we're expanding our reach and influence in the industry. Our customer base has flourished, with 19 projects across various clients which has been a significant advancement compared to previous years. We have also ensured reasonable cost structures for our clients, often modifying our infrastructure to improve output or production capacity. We recently discussed and implemented a program with a client to double our existing capacity with a small investment, which they funded after understanding the benefits.





To streamline customer engagement, we are positioning OneSource as a preferred CDMO partner by bringing other CDMO businesses under our umbrella and by eliminating the need for customers to engage with multiple teams. This consolidation, along with expanding our offerings into soft gels and generic injectables, broadens our market reach and is anticipated to generate significant operational synergies. The FDA approval of our Unit 2 facility and our strategic investments in amplifying our presence through conferences and networking opportunities further reinforces our commitment to customer engagement and long-term value building.

### Key differentiators

#### Our offerings

- ▶ Comprehensive offerings and strategic location in India set us apart from our competitors.

#### Customer support

- ▶ Ability to provide support throughout the product development process and manage regulatory compliance.

#### Partnering made easy

- ▶ Cost advantages make us an attractive partner for businesses developing and scaling up their biological products.

#### Experienced team

- ▶ Experienced commercial teams and established networks to reach customers.

#### Securing new contracts

- ▶ Continuous efforts to attract new customers and secure new contracts.

# Environmental, Social and Governance

Our dedication towards ESG is undoubtable. Over the years, our initiatives have accumulated increasing recognition, reflecting our commitment to sustainability and CSR. We consistently uphold the highest standards in these areas and achieve new milestones each year.

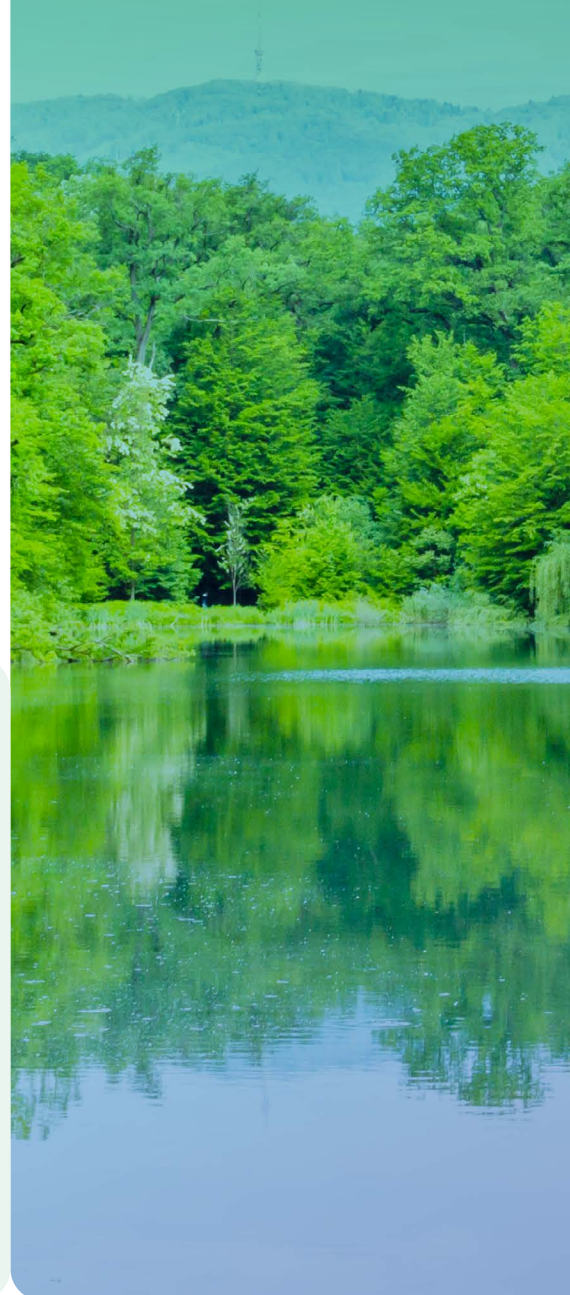
Every aspect of our operations undergoes rigorous audits to uphold a transparent and credible framework. Our relentless efforts are directed towards minimising our carbon footprint, fostering community value, and ensuring our operations have minimal environmental impact. OneSource's comprehensive policies and procedures ensure seamless delivery of our commitments.

## ESG Highlights

- ▶ Reduced carbon footprint by 26% compared to FY23
- ▶ CDP rating at par with Global average.
- ▶ Increased utilization of renewable energy in place of conventional energy by around 8% compared to FY23
- ▶ Received three awards from the prestigious OHSSAI foundation ESG award (Safety category) for safety performance.
- ▶ Received safety award as "Unnatha Suraksha Puraskar" from the National Safety Council Karnataka Chapter.
- ▶ Implemented Global Standards in HR practices
- ▶ No reportable incidents
- ▶ EHS training man-hours increased by 25% compared to FY23

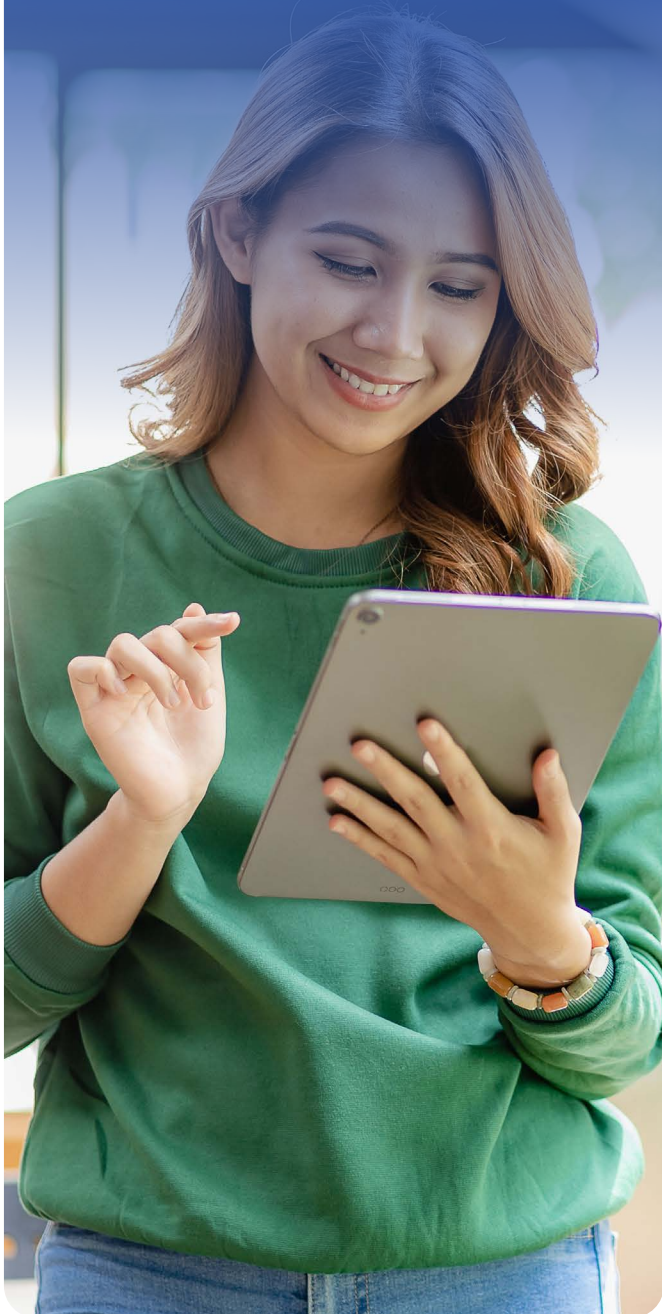


## Environmental

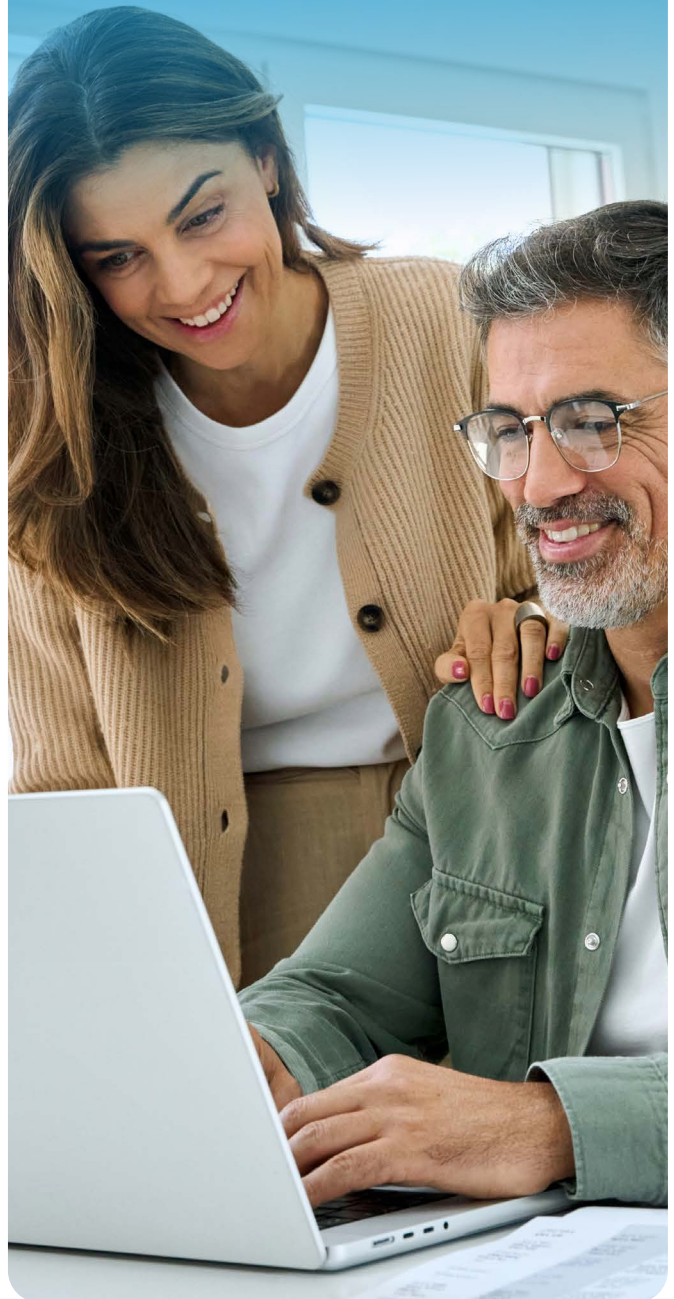




## Social



## Governance



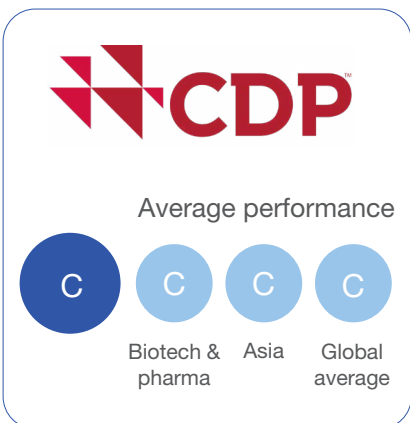


# Environmental

We are committed to reducing waste generation and our carbon footprint through efficient management of water, waste, and energy. Our steady progress towards achieving our ESG goals is evident, advancing step by step

### Carbon Footprint

We uphold our tradition of pledging to plant trees equivalent to four times our total number of employees each year. Our commitment to carbon reduction surpasses most biotech companies. We have applied for the Carbon Disclosure Project and received a “C” score for the 2022-23 period, aligning with global averages as well as those for Asia and the Biotech & Pharma sector. We are trying to enhance our ESG initiatives to achieve higher scores in the future.



### Alternate Energy

We have established a Greenhouse Gas (GHG) Emissions Committee to oversee our efforts in managing our carbon footprint. The committee’s primary focus is to calculate and monitor air emissions throughout the year. Our current objective is to achieve a 10% reduction in carbon dioxide emissions compared to last year. This goal is achieved through the adoption of environmentally friendly practices and the use of more efficient burners.

The GHG Emissions Committee has made strategic decisions to substantially increase our use of solar energy. Plans are underway to install solar panels on available rooftop space at our unit 2 facility. To start this initiative, a significant budget has been allocated this year for implementation in the upcoming year.

We have implemented various initiatives to decrease greenhouse gas emissions by using low-carbon fuels and

increasing our reliance on renewable energies for our energy needs. As a result of these green efforts, our carbon footprint decreased by 26% from FY23 to FY24.

- ▶ In the fiscal year 2022-23, we prioritized renewable energy sources to meet our power needs. Out of a total requirement of 1.63 crore units, we utilized 0.77 crore units from renewable sources, specifically wind and solar power. This constituted 47.32% of our power consumption being sourced from renewables.
- ▶ Moving to fiscal year 2023-24, out of a total requirement of 1.58 crore units, we increased our utilization of renewable energy to 0.87 crore units. This equates to 55.33% of our power requirements being met through renewable sources.

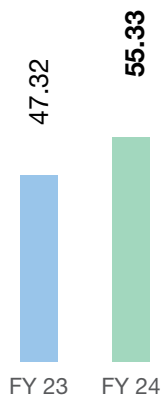
**Water Management**

Reducing water consumption has been a significant focus for our company in recent years. We have successfully reused 65% to 75% of water from our waste discharge, reutilising it back into our systems. This effort has led to achieving Zero Liquid Discharge (ZLD) across all our manufacturing facilities.

To enable wastewater reuse, we have implemented efficient treatment processes. This includes passing the discharge through biological treatment plants, a recycling facility and a Multiple Effect Evaporator (MEE) to prepare the water for operational reuse. We have also installed a rooftop rainwater collection tank at our facility to capture and utilize freshwater, effectively reducing our overall water usage.

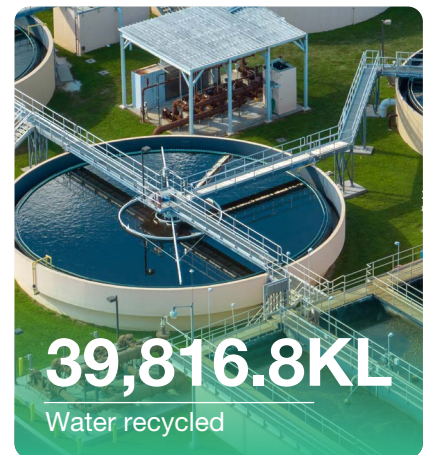
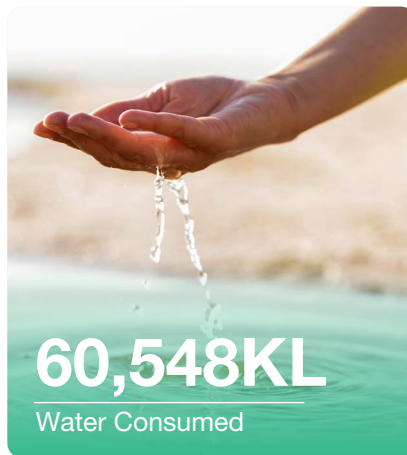
**Utilization of renewable Energy**

Renewable energy (%)



Several measures undertaken to optimise the proper utilisation of water:

- ▶ Rooftop water is being collected. Collected rainwater is being filtered, treated, and being utilized in fire water requirements, and garden water on non-rainy days.
- ▶ As a part of ZLD our effluent recycling plant is generating permeate water which is being used for utility purposes like cooling towers, and boilers. Hence saving precious fresh water.
- ▶ We have optimized our effluent recycling plant to get a good recovery of permeate water. During FY 2023-24, we were able to recover up to 77% of recovery permeate water.



**Waste Reduction**

In the current fiscal year, we have prioritized solid waste management efforts. We have successfully managed solid, biomedical, and hazardous wastes within approved limits. Our goal is to reduce waste output by a significant 5% by the end of this year. After treating the discharge and recycling most of the water for operational processes, remaining sewage is utilized for garden maintenance and development.

Our employees are well-trained in standard waste management procedures. We conduct regular training sessions as necessary to emphasise the importance of these practices and ensure proper execution of tasks.



## Social



We understand that true success is more than just financial gains. At our core, we are committed to social responsibility, actively working to promote positive change and inclusivity in the communities where we are present. Our commitment is demonstrated through our ethical practices, transparent communication, and efforts to address the needs of all stakeholders. We accomplish this through a wide range of social initiatives, including education, healthcare, skills training, and environmental conservation. By creating enduring positive social change, we are not only shaping a better future for OneSource but also for the communities that propel our advancement.

### Employee recruitment and engagement

One of our management mottos is to increase our employment of local community members. We provide training to semi-skilled workers, enhancing their skills and benefiting nearby villages. This approach strengthens community bonds and contributes to lower employee turnover within our company.





### Learning and development

We view learning and development as a continuous process. Therefore, we invest significant time and resources in training our employees, enabling them to enhance their skills and advance in their careers. This ensures that every employee stays relevant with the evolving demands of the biopharma industry.



# 50

Training programmes conducted

# 5,625

Training man hours

### Diversity and Inclusion

Our company is dedicated to fostering a culture based on diversity, inclusion, human rights, continuous learning, and skill development, where employees work with passion and commitment to achieve excellence. We provide equal employment opportunities for all stakeholders without discrimination, in compliance with labour laws and ILO Conventions. While we prioritise hiring from local communities surrounding our manufacturing unit, we also promote gender equality, with women comprising approximately 22% of our workforce. We encourage increasing female representation to empower women further.

Our robust talent acquisition framework targets talented, ethical, and dynamic individuals from India's premier institutes and business schools. Through comprehensive and structured training programs, newly on boarded talent is empowered to elevate our organization to new levels of growth.



**HR Digitalisation**

We've enhanced the accessibility and clarity of our HR policies by transforming them into a mobile app. This update has significantly improved employees' ability to stay informed about the latest policies and guidelines, boosting convenience and efficiency.

**Rewards and Recognitions**

Our company believes in motivating and retaining talent by identifying and recognizing the employees for the good work done.

- ▶ HR acknowledges top performers monthly through rewards.
- ▶ The EHS team acknowledges and rewards individuals quarterly, motivating both employees and contract workmans for their EHS performance.
- ▶ EHS rewards employees and contract workers during key employee engagement events such as National Safety Week, World Water Day, World Environment Day, Chemical Disaster Prevention Day, National Fire Service Week, etc.

**National Level ESG Awards (Safety Category), 2024**



**Mental Health Support and a secure work environment**

We recognize the significance of mental health alongside physical well-being. This is why we provide on-site health centres staffed with doctors who conduct monthly sessions dedicated to addressing any mental health concerns. Our manufacturing facilities place a high priority on safety, resulting in zero reportable incidents in the current fiscal year.

**0 (Zero)**

Work Related fatalities

**Health and well-being**

We prioritise the health and safety of our employees and stakeholders, implementing robust safety protocols and training programs to ensure secure operations. Some of the initiatives we undertake for the health and well-being of our employees are:

**Annual health assessments**

In FY24, we conducted annual health check-ups for all employees and contract workers in accordance with the requirements of the Factories Act. These medical examinations followed the tests recommended by government agencies. Employees and contract workers were provided with necessary medical assistance based on their respective health reports. Special tests such as eye and ear examinations were conducted every six months for employees and contract workers working in high-noise areas. Waste management handlers were provided with Hepatitis-B vaccinations as part of our health initiatives.

**Regular safety audits**

We regularly conduct safety audits to evaluate the effectiveness of our safety measures and maintain a secure work environment for our employees.

**Once every quarter**

Safety audits are conducted

**Comprehensive safety training**

We have implemented a thorough safety programme to ensure the safety of our employees. Our employees receive:



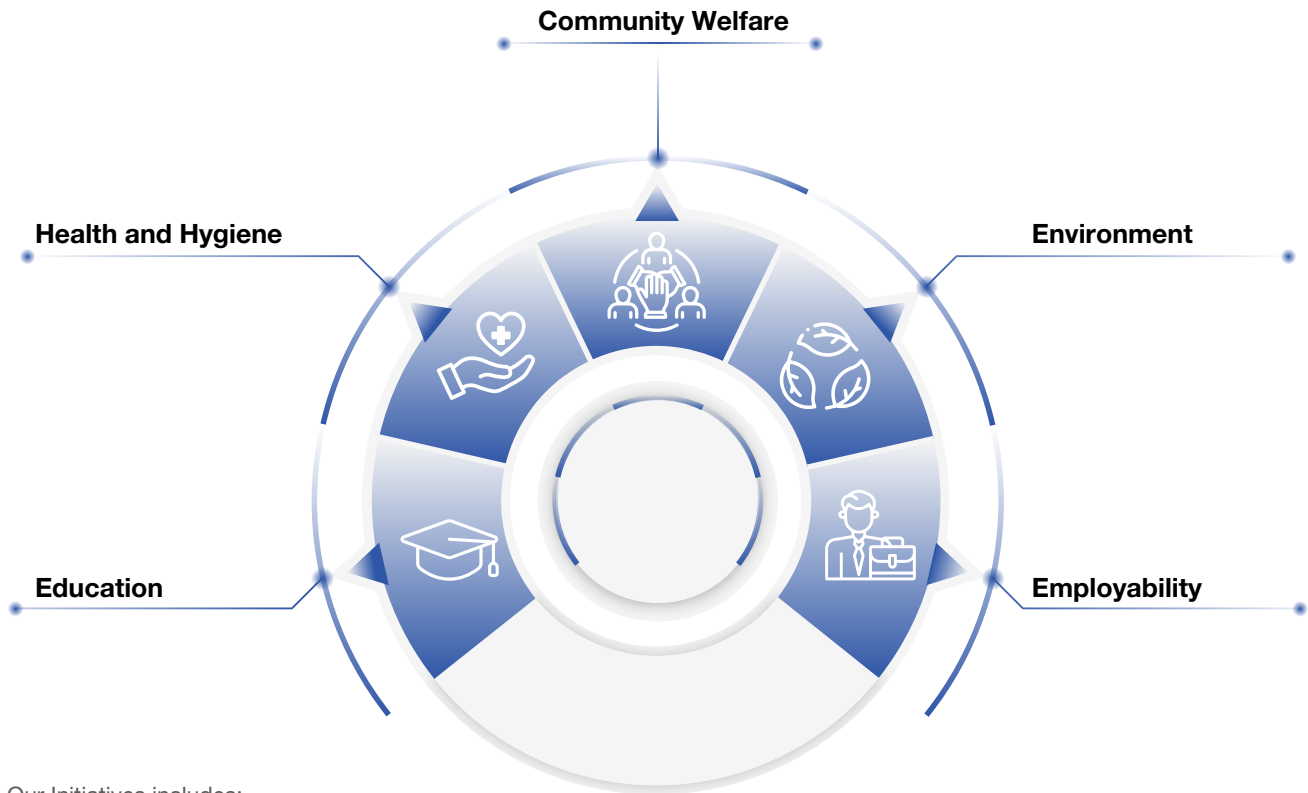
**Prompt medical attention**

We ensure prompt medical care with our in-house doctors, paramedical staff and ambulances, available whenever required. We also engage with external medical experts as needed to safeguard the health of our employees.



**Corporate Social Responsibility (CSR)**

Our commitment lies in the upliftment and comprehensive development of the communities in the regions where we operate. Our dedication towards developing the communities can be observed through our various initiatives focused on:



Our Initiatives includes:

**Doddaballapur**

Provided TATA – Ace **Domestic Waste Disposal vehicle** to Bashettihalli Municipality

The “**Community Need Analysis**” is completed and identified the priorities - Early childhood care, education, Safe Drinking Water and Women health

For the safety of about 180 children, construction of **compound wall at Govt. Primary School** Yellupura is completed and handed over

Completed the construction, installation and handing over of the **2 Nos. RO water plants** at Varadanahalli and Bashettihalli to provide safe drinking water to approx. 2000 people.

Initiated **Infrastructure improvement** at Government High School Bashettihalli to benefit 525 students. A room to store Provisions and extension of Dining / Multipurpose Hall Planned – Work in Progress

**Examination skills & career counselling** for 10<sup>th</sup> standard students at Govt. High school Bashettihalli – 210 Students benefitted

**We are top 25% in our activity group - Biotech & pharma**

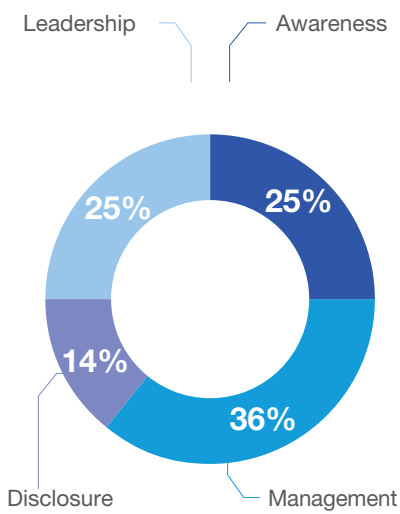
# C

CDP Score (Carbon Disclosure Project)

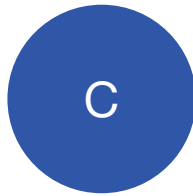
## Activity group performance

### Biotech & pharma

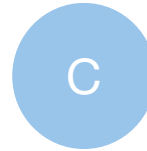
Your company is amongst 25% of companies that reached awareness level in your activity group.



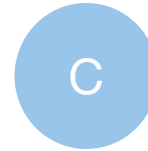
### Your CDP score



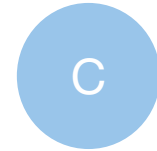
### Average performance



Biotech & pharma

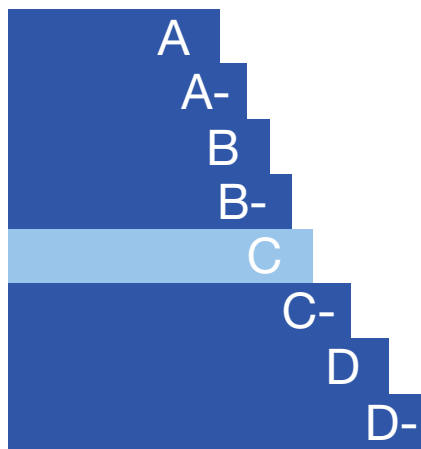


Asia



Global average

### UNDERSTANDING YOUR SCORE REPORT



Stelis biopharma limited received a C which is in the awareness band. This is the same as the asia regional average of C, and the same as the biotech & pharma sector average of C.

Leadership (A/A-): implementing current best practices  
 Management (B/B-): taking coordinated action on climate issues  
 Awareness (C/C-): knowledge of impacts on, and of, climate issues  
 Disclosure (D/D-): transparent about climate issues

## Bommasandra

Provided a Tractor with trailer for Garbage Pick up to support clean drive initiatives of Bommasandra Town Municipality

A detained study has been taken up in collaboration with the forest department to Adopt and develop a 100 Acre forest at Kumbarahalli in Anekal taluk, as part of our long-term Environmental initiatives. A detailed report is attached.

In discussion with Municipality authorities to scrutinize and finalize other appropriate projects viz., Anganwadi and Lake Development – inspected 2 sites for Anganwadi, they have to confirm the location and the details of the lakes around Bommasandra.

# 100 Lakhs

Invested in CSR

Upon approval actual work to be taken up and the cost will be worked out and action will be initiated for the FY 25.



## Governance



We prioritize maintaining the highest standards of governance to ensure well-informed decision-making. We also emphasize effective and transparent communication with all stakeholders, including shareholders, creditors, employees and the government. Our robust governance structure is built upon global best practices and leverages the expertise of our esteemed Board of Directors to achieve these goals.

### Complete Disclosure

Our Board provides essential guidance on significant matters, such as fostering sustainable value and ensuring ethical conduct, fairness and legal compliance. We prioritize transparency and accountability as our core principles, which have been instrumental in nurturing long-term relationships with our stakeholders.



### Diverse Culture

At Onesource, we promote workforce diversity, valuing the diverse capabilities and perspectives it offers. To foster inclusivity, our team consists of individuals from diverse regions, educational backgrounds, age groups, and experiences. We prioritise collaboration and mutual respect among team members, focusing solely on their contributions to overcome challenges and achieve organizational success, irrespective of their religion, ethnicity, or gender.



# Board's Report

Dear Shareholders,

On behalf of the Board of Directors of the Company, it gives us pleasure in presenting the Seventeenth Board's Report and Audited Financial Statements for the financial year ended March 31, 2024.

## 1. Financial Summary

Company has prepared the Standalone and Consolidated Financial Statements for the financial year ended March 31, 2024, in accordance with the Indian Accounting Standards (Ind AS) as prescribed under the Companies Act, 2013.

Key highlights of financial performance of the Company for aforesaid period as compared to previous year is provided below:

Particulars	(In ₹ Million except per share data)	
	2023-24	2022-23
Revenue from Operations	1,719.19	387.14
Other Income	42.25	27.04
<b>Total Income</b>	<b>1,761.44</b>	<b>414.18</b>
Less: Expenses	4,251.44	3,125.59
<b>Profit/ (Loss) Before Tax (PBT)</b>	<b>(2,490.00)</b>	<b>(2,711.41)</b>
Exceptional items gain / (loss) (net)	(1,159.34)	(1,584.13)
Less: Tax Expense	-	-
<b>Profit/ (Loss) After Tax (PAT)</b>	<b>(3,649.34)</b>	<b>(4,295.54)</b>
Earnings per equity share		
- Basic	(93.97)	(200.69)
- Diluted	(93.97)	(200.69)

## 2. Company's Performance

The highlights of the Company's performance for the year ended March 31, 2024 are as under:

- Revenue from Operations has increased by 3.44% to ₹. 1,719.19 Million as compared to previous year of ₹. 387.14 Million
- Net loss has decreased by 15.04% to ₹. (3,649.34) Million

## 3. Nature of Business and Changes

Company is a vertically integrated biopharma service company with the capabilities to develop and manufacture complex biologics, biosimilars and vaccines.

There has been no change in the nature of business of the Company during the year under review. However, the Company has amended its main object clause and received the approval from the Registrar of Companies, Karnataka vide its Certificate dated 9<sup>th</sup> January 2024.

Further, the name of the Company has been changed from Stelis Biopharma Limited to OneSource Specialty Pharma Limited effective February 13, 2024.

## 4. Dividend

The Company did not make any profits during the year under review therefore the Board of Directors did not recommended any dividend for the year ended March 31, 2024.

## 5. Transfer to Reserves

There are no appropriations to/from the general reserves of the Company during the year ended March 31, 2024.

## 6. Share Capital

Authorised share capital during the year under review remains un-altered at: ₹ 5,00,00,000 divided into 5,00,00,000 equity shares of ₹ 1 each.

During FY 2023-24, no equity shares have been issued.

Consequently, the Issued, Subscribed and Paid-up Share Capital of the Company as on March 31, 2024 is as under:

Particulars	Issued Capital	Subscribed Capital	Paid-up Capital
Number of equity shares	4,15,46,510	4,15,46,510	4,00,99,950.70
Nominal Amount per equity Share (₹)	1	1	1
Total amount of equity shares (₹)	4,15,46,510	4,15,46,510	4,00,99,950.70

Note: The difference in Issue & Subscribed Capital and Paid-up Capital is due to the call money due on 1,522,694 Partly Paid-up Equity Shares.



**Share transfer**

No share transfers was recorded during FY 2023-24.

**7. Public Deposits**

Company has not accepted any public deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

**8. Particulars of Loans, Guarantees or Investments**

Pursuant to Section 186 of the Companies Act, 2013, disclosure relating to loans, advances given, guarantees provided and investments made are provided as part of the financial statements.

**9. Subsidiaries, Associate Companies or Joint Ventures**

The Company has three wholly-owned subsidiaries and one step-down Subsidiary Company, as on March 31, 2024:

- Stelis Pte. Ltd, Singapore
- Biolex Private Limited, India
- Stelis Biopharma UK Private Limited, UK
- Biolexis Pte. Ltd, Singapore – Step-down Subsidiary

Stelis Pte. Ltd. was incorporated on June 30, 2023 as the wholly-owned Subsidiary of the Company with the below mentioned list of Directors:

#	Name of Director	Nationality
1	Kannan PR	Indian
2	Naveen Madan	Indian
3	Trisha Allada	Indian
4.	Wong Zi Peng	Singapore
5.	Ng Boon Kai	Singapore

**Accounts of Subsidiaries**

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared Consolidated Financial Statement.

A statement containing salient features of the Financial Statements of the subsidiaries as required in Form AOC 1 is enclosed as **Annexure 1** to this Report.

**10. Related Party Transaction**

All the transactions with related parties were in the ordinary course of business and at arm's length basis. During the year, there are no materially significant related party transactions entered by the Company which may have potential conflict with the interests of the Company.

Information on transactions with related parties pursuant to section 134(3)(h) of the Companies Act, 2013 read with

Rule 8(2) of the Companies (Accounts) Rules, 2014 is attached as Annexure 2 to this Report.

All the transactions with related parties are disclosed in the Notes to the Standalone Financial Statements in the Annual Report.

**11. Directors' Responsibility Statement**

Pursuant to the requirement under section 134(3)(c) and 134(5) of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, the Board of Directors of the Company state that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b) Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 and loss of the Company for the period under review.
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of 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 of the Company on a going concern basis.
- e) they have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and are operating effectively; and
- f) that Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**12. Board of Directors and Key Managerial Personnel (KMP)**

During the year under review, Board Composition underwent the following changes:

- Dr. Gopakumar Nair was appointed as Independent Director of the Company effective May 04, 2023
- Ms. Rajashri Ojha was appointed as Independent Director of the Company effective May 04, 2023
- Ms. Yogita Hatangadi was appointed as Nominee Director (Representative of Exim Bank) effective May 04, 2023

- Mr. Bhushan Bopardikar was appointed as Non-Executive Director of the Company effective August 14, 2023.
- Mr. Ankur Thadani resigned as Non-Executive Director of the Company effective August 16, 2023, owing to pre-occupation;
- Ms. Yogita Hatangadi resigned as Nominee Director of the Company effective January 16, 2024
- Mr. Neeraj Sharma was appointed as the Managing Director of the Company effective March 01, 2024

Composition of the Board of Directors as on March 31, 2024 is as under:

#	Name of the Director	DIN	Designation	Date of Appointment
1.	Mr. Arun Kumar	00084845	Non-Executive Director	April 07, 2021
2.	Mr. PR Kannan	03435209	Executive Director & CFO	July 09, 2021
3.	Mr. Mahadevan N.	07128788	Non-Executive Director	March 26, 2021
4.	Mr. Bhushan Bopardikar	09089555	Non-Executive Director	August 14, 2023
5.	Dr. Gopakumar Nair	00092637	Independent Director	May 04, 2023
6.	Ms. Rajashri Ojha	07058128	Independent Director	May 04, 2023
7.	Mr. Neeraj Sharma	09402652	Managing Director	March 01, 2024

### Key Managerial Personnel (KMP):

In-terms of provisions of Section 203 of the Companies Act, 2013, the Company has the following Key Managerial Personnel:

#	Name	Designation	Date of Appointment
1.	Mr. P R Kanann	Chief Financial Officer	July 09, 2021
2.	Ms. Trsiha A	Company Secretary	March 14, 2023
3.	Mr. Neeraj Sharma	Managing Director	March 01, 2024

## 13. Meetings of the Board and Committees

Twenty Two Board meetings were convened during the year under review and the intervening gap between meetings was not more than 120 days. The dates on which the meetings were convened are as follows:

#	Date of Board Meeting
1.	April 25, 2023
2.	May 04, 2023
3.	May 24, 2023
4.	May 24, 2023
5.	May 26, 2023
6.	June 26, 2023
7.	July 04, 2023
8.	July 07, 2023
9.	July 13, 2023
10.	July 28, 2023
11.	August 23, 2023
12.	August 29, 2023
13.	September 12, 2023
14.	September 20, 2023
15.	September 25, 2023
16.	October 25, 2023
17.	October 27, 2023
18.	January 17, 2024
19.	January 29, 2024
20.	February 05, 2024
21.	February 15, 2024
22.	March 11, 2024

### • Audit and Risk Management Committee

Eight Audit and Risk Management Committee meetings were held during the year under review i.e., on:

#	Date of Board Meeting
1.	May 24, 2023
2.	June 28, 2023
3.	July 28, 2023
4.	September 20, 2023
5.	September 25, 2023
6.	October 27, 2023
7.	January 29, 2024
8.	March 11, 2024

The composition of the Audit and Risk Management Committee as on March 31, 2024 is as under:

#	Name of Member	Category	Designation
1.	Dr. Gopakumar Nair	Independent Director	Chairperson
2.	Ms. Rajashri Ojha	Independent Director	Member
3.	Mr. Mahadevan Narayanmoni	Non-Executive Director	Member

- Nomination and Remuneration Committee (NRC)**

Four Committee meetings were held during the i.e., on:

#	Date of Committee Meeting
1.	May 24, 2023
2.	July 28, 2023
3.	October 27, 2023
4.	February 05, 2024

The composition of the Nomination and Remuneration Committee (NRC) as on March 31, 2024 is as under:

#	Name of Member	Category	Designation
1.	Dr. Gopakumar Nair	Independent Director	Chairperson
2.	Ms. Rajashri Ojha	Independent Director	Member
3.	Mr. Bhushan Bopardikar	Non-Executive Director	Member

- Management Committee**

Twelve Management Committee meetings were held during the year i.e., on :

#	Date of Board Meeting
1.	April 27, 2023
2.	May 31, 2023
3.	July 04, 2023
4.	July 13, 2023
5.	July 13, 2023
6.	August 30, 2023
7.	August 31, 2023
8.	October 27, 2023
9.	October 31, 2023
10.	November 29, 2023
11.	December 01, 2023
12.	February 29, 2024

The composition of the Management Committee as on March 31, 2024 is as under:

#	Name of Member	Category	Designation
1.	Mr. Arun Kumar	Non-Executive Director	Chairperson
2.	Mr. Mahadevan Narayanamoni	Non-Executive Director	Member
3.	Mr. PR Kannan	Executive Director & CFO	Member

- Corporate Social Responsibility Committee (CSR)**

Four Committee meetings were held during the year i.e., on :

#	Date of Committee Meeting
1.	May 24, 2023
2.	July 28, 2023
3.	October 27, 2023
4.	January 29, 2024

The composition of the Corporate Social Responsibility Committee (CSR) as on March 31, 2024 is as under:

#	Name of Member	Category	Designation
1.	Dr. Gopakumar Nair	Independent Director	Chairperson
2.	Ms. Rajashri Ojha	Independent Director	Member
3.	Mr. Arun Kumar	Non-Executive Director	Member

**Attendance of Members of Board and Committees at the meetings held during FY 2023-24 is as mentioned below:**

Board & Committees	Board Meeting	Audit Committee	NRC Committee	Management Committee	CSR Committee
Number of Meetings held	22	8	4	12	4
Members' attendance					
Mr. Ankur Thadani	5		1	-	-
Dr. Gopakumar Nair	20	8	4	-	4
Mr. Arun Kumar	11	-	-	0	4
Mr. PR Kannan	22	-	-	12	4
Ms. Yogita H.	9	-	-	-	-
Mr. Bhushan Bopardikar	8	-	1	-	-
Mr. Mahadevan Narayanamoni	21	8	-	12	-
Ms. Rajashri Ojha	20	8	4	-	-
Mr. Neeraj Sharma	1	-	-	-	-

#### 14. Compliance of applicable Secretarial Standards

The Company is in compliance with all applicable secretarial standards issued by the Institute of Company Secretaries of India and as required under Section 118(10) of the Companies Act, 2013 during the year under review.

#### 15. Policy on Appointment and Remuneration of Directors and Senior Management Personnel

Company's Remuneration Policy is aimed at attracting, motivating and retaining quality talent by creating a high-performance culture.

During the financial year under review the Company paid sitting fees of ₹ 1,00,000/- to the Independent Directors for attending the meetings of Board and its Committees. The payment to said Directors are within the limits prescribed under the Companies Act, 2013. The Company also reimburses any out of pocket expenses incurred by the Directors for attending the meetings of the Company.

#### 16. Particulars of Employees

Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, is not applicable to the Company.

#### 17. Internal Financial Control System and their adequacy

Company has in place adequate internal financial controls with reference to financial reporting. During the year under review, such controls were tested and no reportable material weakness in the design or operation was observed.

#### 18. Statement concerning development and implementation of Risk Management Policy of the Company

The Company adopted a Policy on Enterprise Risk Management (ERM) towards setting objectives and accountabilities for risk management such that it is structured, consistent and effective.

In line with the afore-mentioned Policy, Audit Committee is entrusted with additional responsibility of enterprise risk management and renamed as Audit and Risk Management Committee effective February 16, 2022.

Further, a Steering Committee of the Audit and Risk Management Committee has been constituted to coordinate and support the risk owners on the implementation of Risk Management Plan.

#### 19. Vigil Mechanism

Company believes in conducting its affairs in a transparent manner and adopts the highest standards of professionalism and ethical behaviour. Integrity is one of the key values of the Company that it strictly abides by. Keeping that in view, the Company has established a vigil mechanism for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics.

The Board of Directors have adopted a Whistle Blower

Policy vide their resolution passed on July 09, 2021. The policy was further strengthened by amending the same on November 15, 2021 and then on February 16, 2022.

Also, the Company, as a policy, condemns any kind of discrimination, harassment, victimisation or any other unfair employment practice being adopted against whistle-blowers and provides adequate safeguard measures. It also provides a direct access to the Chairman of the Audit and Risk Management Committee to raise their concerns.

In addition to this, the Company has also engaged an independent agency called 'Integrity Matters' that provides an electronic and digital platform to report any unethical practices or harassment or injustice at the workplace confidentially and, if desired, anonymously by any employees or vendors of the Company or any of its subsidiaries anywhere in the world to ensure fairness and transparency in the process.

#### 20. Corporate Social Responsibility (CSR)

The Company is not required to spend on CSR activities pursuant to the provisions of Section 135 of the Companies Act, 2013.

However, as per the sanction condition under the KIADB guidelines for Unit 2, the Company is required to spend atleast 1% of the project cost on CSR activities spread over the period of project.

Accordingly, the Board, has constituted a CSR Committee to monitor the aforesaid spend under KIADB guidelines.

#### 21. Auditors and Audit Reports

##### A) Statutory Audit Report

The Auditors Report given by M/s Deloitte Haskins & Sells (Firm Registration Number 008072S) for the financial year ended March 31, 2024, is enclosed along with the financial statements. The Auditors Report for the year ended March 31, 2024, does not contain any qualifications, observations or adverse remarks.

M/s Deloitte Haskins & Sells, were appointed as Statutory Auditors of the Company at the Annual General Meeting (AGM) held on July 06, 2021 for a term of 5 years from the conclusion of the Fourteenth AGM till the conclusion of the Nineteenth AGM of the Company.

#### B) Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Company was required to appoint a Secretarial Auditor for FY 2023-24. Board at its meeting held on May 24, 2023 had appointed M/s. D V & Associates, firm of Company Secretaries in Practice as the Secretarial Auditor for the Company.

Board at its meeting held on May 17, 2024 had further reappointed M/s. D V & Associates, firm of Company Secretaries in Practice as the Secretarial Auditor for the Company for the financial year 2024-25.

The Secretarial Audit for the FY 2023-24, inter-alia, included audit of compliance with the Companies Act, 2013 and the Rules made thereunder.

The Secretarial Audit Report does not contain any qualifications, observations or adverse remarks and is enclosed as **Annexure 3** to this report.

#### C) Cost Audit Report

Mr. M. Ashok Kumar, Cost Accountant (Registration No. – 102240), Cost Auditors of the Company have audited the cost records maintained by the Company for the financial year ended March 31, 2024. The Cost Audit Report (CRA-3) will be furnished to the Central Government in Form CRA-4.

#### 22. Disclosure on maintenance of Cost Records

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Audit) Rule 2014, the Company is required to appoint a Cost Auditor for FY 2023-24.

The Board members at their meeting held on May 17, 2024 have re-appointed Mr. M. Ashok Kumar, Cost Accountant (Registration No. – 102240), as Cost Auditor of the Company for FY 2024-25 for a fees not exceeding ₹ 300,000/- excluding out of pocket expenses and applicable taxes.

#### 23. Reporting of Fraud by Auditors of the Company

No frauds were reported by the Auditors as specified under Section 143 of the Companies Act, 2013 for the year ended March 31, 2024.

#### 24. Material Changes and Commitments

Material Changes that have occurred during the year are as under:

1. The Unit 3 of the Company was sold to Syngene International Limited effective December 22, 2023.
2. The name of the Company was changed from Stelis Biopharma Limited to OneSource Specialty Pharma Limited effective February 13, 2024.

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which this financial statement relates and the date of this report.

#### 25. Extract of Annual Return

As per the provisions of Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the Annual Return of the Company has been placed on the website of the Company and can be accessed:

<https://www.stelis.com/corporate-governance/>

#### 26. Proceedings under the Insolvency and Bankruptcy Code, 2016 (31 of 2016):

During the financial year, neither any application nor any proceeding is initiated against the Company under the Insolvency and Bankruptcy Code, 2016.

#### 27. Significant and material orders passed by the Regulators or Courts

The company had altered the situation clause of the Memorandum of Association of the Company in compliance with the applicable provisions of the Companies Act, 2013, and the Order of the Regional Director (SER), Hyderabad approving the shifting of registered office was received on 25<sup>th</sup> March 2024. The current Registered office address is 201, Devavrata, Sector 17, Vashi, Mumbai City, Navi Mumbai, Maharashtra, India, 400703 effective \*\*\* 2024. The Company is yet to file the return in INC 22 with the Registrar of Companies.

There were no other significant and material orders passed by the Regulators or Courts that would impact the going concern status of the Company and its future operations.

#### 28. Conservation of Energy, R&D, Technology Absorption and Foreign Exchange Earnings and Outgo

Details of energy conservation, R&D, technology absorption and foreign exchange earnings/ outgo are enclosed as Annexure 4 to this Report.

### 29. Disclosure under Sexual Harassment

The Company has in place a Policy on Prevention of Sexual Harassment at workplace framed under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this Policy.

Internal Complaints Committee (ICC) has been constituted as per the said Act to redress the complaints with respect to sexual harassment.

During the year under review no cases were reported on sexual harassment.

### 30. Statement on declaration from Independent Directors

The Company has received necessary declarations from all Independent Directors of the Company in accordance

with the provisions of Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

### 30. Acknowledgement

Directors take this opportunity to thank the Company's stakeholders, customers, banks, financial institutions and well-wishers for their continued support during the year. Directors place on record their appreciation on the contribution made by the employees at all levels. The Company's consistent growth was made possible by their hard work, solidarity and co-operation.

The Board sincerely expresses its gratitude to Government of India, Ministry of Corporate Affairs, Reserve Bank of India and Governments of Karnataka for their support received.

For and on behalf of the Board of Directors

Date: May 17, 2024  
Place: Bangalore

Sd/-  
**PR Kannan**  
Executive Director & CFO  
DIN: 03435209

Sd/-  
**Neeraj Sharma**  
Managing Director  
DIN: 09402652



## Annexure 2

### 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)

- 1) Details of contracts or arrangements or transactions not at arm's length basis – All the contracts/ arrangements/ transactions entered into by the Company with related parties during the FY 2023-24 were at arm's length basis.
- 2) Details of material contracts or arrangements or transactions at arm's length basis for the year ended March 31, 2024 - Nil

For and on behalf of the Board of Directors

Sd/-  
**PR Kannan**  
Executive Director & CFO  
DIN: 03435209

Sd/-  
**Neeraj Sharma**  
Managing Director  
DIN: 09402652

Date: May 17, 2024  
Place: Bangalore



# Annexure 3

## FORM NO. MR-3

### 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,  
Onesource Specialty Pharma Limited  
(Formerly Stelis Biopharma Limited)  
CIN: U74140KA2007PLC043095  
Star 1, Opp IIM Bangalore Bilekahalli Bannerghatta Road  
Bangalore South  
Karnataka 560076

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Onesource Specialty Pharma Limited (Formerly Stelis Biopharma Limited) (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2024, according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The laws, Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the company as the company is an unlisted Public Company.

(vi) Other laws applicable specifically to the Company namely:-

- a) Employees Provident Fund and Miscellaneous Provisions Act 1952;
- b) Employees State Insurance Act 1948;
- c) Industrial Disputes Act 1947;
- d) Payment of Wages Act 1936;
- e) Factories Act 1948; and
- f) Drug and Cosmetics Act 1940

We have also examined compliance with the applicable Secretarial Standards with regard to meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI);

We have not examined compliance by the company with respect to:

- a) Applicable financial laws, like direct and indirect tax laws, maintenance of financial records, etc., since the same have been subject to review by statutory (financial) auditors, tax auditors and other designated professionals.
- b) As informed by the company the Industry specific laws/general laws as applicable to the company has been complied with. The management has also represented and confirmed that all the laws, rules, regulations, orders, standards and guidelines as are specifically applicable to the Company relating to Industry/Labor etc, have been complied with.

We further report that:

The Board of Directors of the Company is duly constituted with 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.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that 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.

We further report that during the audit period the company has:

- i. convened shareholders meeting on 26<sup>th</sup> April, 2023 and passed special resolution for Preferential Allotment of unsecured Optionally Convertible Debentures on Private Placement Basis;
- ii. convened Board of Directors meeting on 25<sup>th</sup> April, 2023 and approved issue of 3,300 (Three Thousand and Three Hundred) unsecured Optionally Convertible Debentures of ₹ 100,000.00 (Rupee One Lakh only) each aggregating to ₹ 33,00,00,000.00 (Rupees Thirty Three Crores only) on Private Placement Basis;
- iii. allotted 3,300 (Three Thousand and Three Hundred) OCDs of ₹ 100,000.00 (Rupee One Lakh only) each aggregating to ₹ 33,00,00,000.00 (Rupees Thirty Three Crores only) on 27<sup>th</sup> April, 2023;
- iv. convened Board of Directors meeting on 24<sup>th</sup> May, 2023 for appointment of Secretarial auditor and internal auditor of the company;
- v. convened Board of Directors meeting on 26<sup>th</sup> May, 2023 and approved issue of 5,000 (Five Thousand ) Unsecured Non Convertible Debentures of ₹ 100,000.00 (Rupee One Lakh only) each aggregating to ₹ 50,00,00,000.00 (Rupees Fifty Crores only);
- vi. allotted 5,000 (Five Thousand ) Unsecured Non Convertible Debentures of ₹ 100,000.00 (Rupee One Lakh only) each aggregating to ₹ 50,00,00,000.00 (Rupees Fifty Crores only) on 31<sup>st</sup> May, 2023;
- vii. convened Board of Directors meeting on 26<sup>th</sup> June, 2023 and approved;
  - a) issue of 7,000 (Seven Thousand ) Unsecured Non Convertible Debentures of ₹ 100,000.00 (Rupee One Lakh only) each aggregating to ₹ 70,00,00,000.00 (Rupees Seventy Crores only);
  - b) incorporation of wholly owned subsidiary at Singapore by way of subscription or purchase an aggregate amount not exceeding USD 10 Million .
- viii. Released charge created in favour of IDBI Trustee Services Limited acting as security trustee on behalf of ICICI Bank Limited in respect of derivative limit amounting to ₹ 132.00 million ;
- ix. allotted 1,100 (One Thousand one hundred) Unsecured Non Convertible Debentures of ₹ 100,000.00 (Rupee One Lakh only) each aggregating to ₹ 11,00,00,000.00 (Rupees Eleven Crores only) on 4<sup>th</sup> July, 2023;
- x. convened Board of Directors meeting on 07<sup>th</sup> July, 2023 to issue 5,000 (Five Thousand) Unsecured Non Convertible Debentures of ₹ 100,000.00 (Rupee One Lakh only) each aggregating to ₹ 50,00,00,000.00 (Rupees Fifty Crores only)
- xi. convened Board of Directors meeting on 07<sup>th</sup> July, 2023 to issue 2500 (Two Thousand five) Unsecured Optionally Convertible Debentures of ₹ 100,000.00 (Rupee One Lakh only) each aggregating to ₹ 25,00,00,000.00 (Rupees Twenty five Crore only)
- xii. Shareholders meeting on 07<sup>th</sup> July, 2023 and passed special resolution to issue 2500 (Two Thousand five Hundred) optionally Convertible Debentures of ₹ 100,000.00 (Rupee One Lakh only) each aggregating to ₹ 25,00,00,000.00 (Rupees Twenty Five Crore only)
- xiii. convened Board of Directors meeting on 13<sup>th</sup> July, 2023 to issue 5,000 (Five Thousand) Unsecured Non Convertible Debentures of ₹ 100,000.00 (Rupee One Lakh only) each aggregating to ₹ 50,00,00,000.00 (Rupees Fifty Crores only)
- xiv. allotted 2,500 (Two Thousand Five hundred) Unsecured Non Convertible Debentures of ₹ 100,000.00 (Rupee One Lakh only) each aggregating to ₹ 25,00,00,000.00 (Rupees Twenty Five Crores only) on 13<sup>th</sup> July 2023;
- xv. allotted 5,000 (Five Thousand) Unsecured Non Convertible Debentures of ₹ 100,000.00 (Rupee One Lakh only) each aggregating to ₹ 50,00,00,000.00 (Rupees Fifty Crores only) on 13<sup>th</sup> July 2023;
- xvi. convened Board of Directors meeting on 28<sup>th</sup> July, 2023 and approved Directors report and Financial statements for the financial year ending on 31<sup>st</sup> March, 2023.
- xvii. convened Board of Directors meeting on 29<sup>th</sup> August, 2023 to issue 1500 (One thousand Five Hundred Unsecured Non Convertible Debentures of ₹ 100,000.00 (Rupee One Lakh only) each aggregating to ₹ 15,00,00,000.00 (Rupees Fifteen Crore only)
- xviii. convened Annual General Meeting on 25<sup>th</sup> August, 2023 and passed special resolution for appointment of independent directors;
- xix. convened Board of Directors meeting on 29<sup>th</sup> August, 2023 to consider issuance of NCDs, to avail loan facility to the extent of ₹ 500,000,000.00 (Rupees Fifty Crore only) from Aditya Birla Finance Limited and to the extent of ₹ 500,000,000.00 (Rupees Fifty Crore only) from Arka Fincap Limited;
- xx. allotted 2,000 (Two Thousand) Unsecured Non Convertible Debentures of ₹ 100,000.00 (Rupee One Lakh only) each aggregating to ₹ 20,00,00,000.00 (Rupees Twenty Crores only) on 30<sup>th</sup> August, 2023;

- xxi. allotted 1,500 (One Thousand Five Hundred) Unsecured Non Convertible Debentures of ₹ 100,000.00 (Rupee One Lakh only) each aggregating to ₹ 15,00,00,000.00 (Rupees Fifteen Crores only) on 31<sup>st</sup> August, 2023;
- xxii. convened Shareholders meeting on 20<sup>th</sup> September, 2023 and passed Special resolution for shifting registered office from the state of Karnataka to the state of Maharashtra and thereby altered clause II of Memorandum of Association. However the Company is yet to file e-Form INC 22 for shifting the registered office. As per the representation received from the management, e-Form 9 and e-Form MR-2 is pending for approval with Registrar of Companies, Karnataka hence the MCA v3 web portal is not facilitating the filing of e-Form INC 22;
- xxiii. convened Board of directors meeting on 25<sup>th</sup> October, 2023 to issue 5000 (Five Thousand) Unsecured Non Convertible Debentures of ₹ 100,000.00 (Rupee One Lakh only) each aggregating to ₹ 50,00,00,000.00 (Rupees Fifty Crore only);
- xxiv. convened board meeting on 27<sup>th</sup> October, 2023 to:
- amend debenture subscription Agreement with Goodday Enterprises LLP and Neelammegham Investments and trading Co. Pvt. Ltd to extend tenure of the unsecured non convertible debenture till 30<sup>th</sup> November, 2023.
  - invest up to an amount of ₹ 3,49,00,000.00 ( Rupees Three Crore Forty nine Lakh) by way of subscription through equity shares and debentures of AMP Energy C&I Private Limited
- xxv. allotted 1,100 (One Thousand One Hundred) Unsecured Non Convertible Debentures of ₹ 100,000.00 (Rupee One Lakh only) each aggregating to ₹ 11,00,00,000.00 (Rupees Eleven Crores only) on 27<sup>th</sup> October, 2023;
- xxvi. allotted 1,500 (One Thousand Five Hundred) Unsecured Non Convertible Debentures of ₹ 100,000.00 (Rupee One Lakh only) each aggregating to ₹ 15,00,00,000.00 (Rupees Fifteen Crores only) on 31<sup>st</sup> October 2023;
- xxvii. convened Shareholders meeting on 11<sup>th</sup> November, 2023 and passed Special resolution:
- to make investment in equity shares and compulsorily convertible debentures of AMP Energy ;
  - to fix remuneration payable to directors including managing director or whole time director or manager;
  - to change the name of the company from Stelis Biopharma Limited to Onesource speciality Pharma Limited;
- to alter main object clause of Memorandum of Association of the company.
- xxviii. allotted 750 (Seven Hundred and Fifty) Unsecured Non Convertible Debentures of ₹ 100,000.00 (Rupee One Lakh only) each aggregating to ₹ 7,50,00,000.00 (Rupees Seven Crore and Fifty Lakh only) on 29<sup>th</sup> November, 2023;
- xxix. allotted 830 (Eight Hundred and Thirty) Unsecured Non Convertible Debentures of ₹ 100,000.00 (Rupee One Lakh only) each aggregating to ₹ 8,30,00,000.00 (Rupees Eight Crore and Thirty Lakh only) on 01<sup>st</sup> December, 2023;
- xxx. charge created on the assets of the company in terms of loan agreement executed with State bank of India has been released and the charge ID 100483571 stands closed;
- xxxi. charge ID 100483571 has been closed on 07<sup>th</sup> December, 2023 vide charge satisfaction letter dated 07 December 2023;
- xxxii. charge created by way of hypothecation of all current assets, movable assets and DSRA of the Company and created charge vide ID 100049909 and the same has been modified on 22 December 2023 to reduce the Charge amount to ₹ 75 Crores;
- xxxiii. charge created for an amount of ₹ 2,00,000.00 (Rupees Two Lakh only) on 25<sup>th</sup> January, 2024 by way of lien of term deposit vide Letter of set off and lien dated 25<sup>th</sup> January, 2024;
- xxxiv. Convened board of directors meeting on 17<sup>th</sup> January, 2024 to;
- issue ₹ 35000 (Rupees Thirty five Thousand) secured rates, listed, redeemable and non convertible debenture of ₹ ₹ 100,000.00 (Rupee One Lakh only) aggregating upto ₹ 3,50,00,00,000 (Rupees Three fifty Crore only)
  - make additional investment of an amount of ₹ 50,00,000 (Rupees Fifty Lakh only) on AMP Energy;
- xxxv. convened shareholders meeting on 19<sup>th</sup> January 2024 and passed special resolution:
- to borrow money in the form of issuance and allotment of 35,000 (Thirty five thousand) secure, rated, listed, redeemable and non convertible debentures of face value of ₹ 100,000.00 (Rupee One Lakh only) aggregating upto 350,00,00,000.00 (Rupees Three Hundred and Fifty Crore only) by way of Private Placement.

- b) To invest additional amount up to ₹ 50,00,000.00 (Rupees Fifty Lakh only) aggregating to a total amount of investment ₹ 3,99,00,000.00 (Rupees Three Crore Ninety nine Lakh Only) to subscribe equity shares and compulsory convertible debentures.

xxxvi. convened shareholders meeting on 09<sup>th</sup> February, 2024 and passed special resolution;

- a) to appoint Neeraj Sharma as Managing Director;
- b) to enhance the borrowing limits of the company

xxxvii. allotted 15,000 (Fifteen Thousand) ) secure, rated ,listed, redeemable and non convertible debentures of face value of ₹ 100,000.00 (Rupee One Lakh only) each aggregating to ₹ 150,20,00,000.00 (Rupees One Hundred and Fifty Crore only) on 29<sup>th</sup> February 2024;

xxxviii. disinvested investments in Biolexis Pte. Ltd.(formerly known as Stelis Pte. Ltd.) As per the representation received from the management, the Company has

submitted the required documents with AD Bank for reporting the disinvestment. Final approval of disinvestment from Reserve Bank of India is pending.

We further report that, during the audit period there were no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs in pursuance of the above referred laws, rules etc.

**For DV & Associates**  
Company Secretaries

**CS Vivek Kumar**  
Partner

M. No. F9353, CoP: 11036

Place: Ernakulam

Peer Review Certificate no. 2876/2023

Date: 17<sup>th</sup> May 2024

UDIN: F009353F00 0388270

## Annexure to Secretarial Audit

To,  
The Members,  
**Onesource Specialty Pharma Limited**  
(Formerly Stelis Biopharma Limited)  
CIN: U74140KA2007PLC043095  
Star 1, Opp IIM Bangalore Bilekahalli Bannerghatta Road  
Bangalore South  
Karnataka 560076

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company like, Income Tax, GST, Customs, etc.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management in terms of Section 134 (5) (f) of the Companies Act, 2013. Our examination was limited to the verification of procedures on test basis.
6. 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.
7. The audit was conducted based on the verification of the Company's books, papers, minutes books, forms and returns filed, documents and other records furnished by them or obtained from the Company electronically and also the information provided by the company and its officers by online and/or offline means.

**For DV & Associates**  
Company Secretaries

**CS Vivek Kumar**

Partner

M. No. F9353, CoP: 11036

Place: Ernakulam Peer Review Certificate no. 2876/2023

Date: 17<sup>th</sup> May 2024 UDIN: F009353F00 0388270

## Annexure 4

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

#### (A) Conservation of energy:

##### (i) The steps taken and impact on conservation of energy:

The Company has initiated a project under which a Heat Pump is being installed as an alternate to Hot Water Generation System, which runs on electricity, in order to maintain the clean room temperature. Earlier, black steam was produced by utilizing furnace oil for generation of hot water. With installation of Heat Pump, the Company will be able to reduce the carbon foot print and support in the adoption of green energy initiative.

**Heat pump has been installed, mechanical piping work in progress, electrical VFD panel and cabling works PO been released.**

Further, the Company has installed low energy consumption lights in Stelis R&D facility so that energy consumption could be minimized.

##### (ii) The steps taken by the company for utilizing alternative sources of energy:

The Company has factored energy saving methods in the design of its manufacturing facilities. Further, the Company has entered into a third-party power purchase agreement for use of Solar power. This has resulted in considerable reduction in the energy consumption translating to savings of around ₹ 0.75 Mn per month.

Also, implemented third party wheeling energy and achieved total saving of around ₹ 0.78 per month.

**Implemented third party wheeling energy Achieved total saving cost is ₹ 73.03 lakhs for FY 23-24**

**Implemented Group captive energy (FY 24-25) This has resulted in considerable reduction in the energy consumption translating to savings of around INR 2.5 Cr. Per annum.**

##### (iii) The capital investment on energy conservation equipment

- a) Installed motion detectors to switch off lights whenever not required - **Installed**
- b) Installed temperature monitoring system along with auto shut off to save energy when the temperature in the labs reached 24 degree Celsius – **In progress**

- c) Variable Frequency Drive (VFD) system is installed for Air Handling Units (AHU) to reduce the CFP/ Temperature whenever the room is not fully operational – **All AHU's of DP and DS are been installed with VFD's.**

#### (B) Technology Absorption

##### (i) The efforts made towards technology absorption and the benefits derived:

- a) **DS MCM:** In DS MCM facility, continuous centrifuge capacity is enhanced with 18L total bowl volume which will reduce the total centrifuge operation from 20 hours to 6 hours, resulting in significant reduction of loss of product in DS MCM facility

**New Continuous centrifuge (MCM/CCF/02) of higher bowl capacity has been installed and qualified in DS MCM facility**

- b) **DS MCM:** Filter make and design has been changed in microfiltration-1 in DS MCM to reduce product loss and improve productivity

**In Microfiltration-01, filter make and design has been changed and qualified in DS MCM.**

- c) **DS CCM:** During the year, capacity expansion was under progress for DS CCM facility. Adding 2 reactors of 2KL, 500 L & 50 L train for single use mAbs capacity. This will enhance the production capacity significantly at Unit-2 with high-reliability and high-quality output

**Two numbers of 2KL ,500L & 50L single use bioreactors has been installed and qualified for DS CCM facility at Unit-2.**

- d) **Stability Testing and storage capacity:** Increased stability testing and storage capacity of Unit-2 by adding 8 stability chambers and 1 photo stability chamber. This has increased the stability chambers' capacity by 180 KL.

**8 Nos of stability chambers installed, qualified and handed over for usage.**

- e) **HSV:** Replacing the existing HSV line of 300 VPM capacity with 600 VPM capacity line of

isolator based technology. This will enhance the production capacity to double and ensure the sterility. This is under progress and planned to be completed in FY-24

**Proposal sent to management same is under approval.**

- f) **Cartridge line:** Installed the modified heating and cooling system for a client to prevent the fibrinogenation in the product and helping in filing the product with regulatory authorities

**Modified heating & cooling system installed and qualified.**

- g) **Vial Label & Cartonating:** Automated the vial labelling and cartonating set up in DP manufacturing

**Vial labelling machine and cartonating 2R machine installed and qualification completed for 2 ml, 10 ml, 20 ml, 30R**

- (ii) **In case of imported technology (imported during the last 3 years), details of technology imported, the year of Import and whether the Technology is fully absorbed:**

NIL

**(C) Foreign Exchange Earned and Outgo**

Foreign Exchange Earned in terms of Actual Inflows: ₹ 38.14 Cr

Foreign Exchange outgo in terms of Actual Outflows: ₹ 78.99 Cr

For and on behalf of the Board of Directors

Sd/-

**PR Kannan**

Executive Director & CFO

DIN: 03435209

Sd/-

**Neeraj Sharma**

Managing Director

DIN: 09402652

Date: May 17, 2024

Place: Bangalore



# Financial Statement



# Independent Auditor's Report

To  
The Members of  
**Onesource Specialty Pharma Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Onesource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited) ("the Company"), which comprise the Standalone Balance Sheet as at 31 March 2024, and Standalone the Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows 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 31 March 2024, and its loss, total comprehensive loss, 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.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl. No.	Key Audit Matters	Auditor's responses
1	<p><b>Going concern assessment</b></p> <p>The Company has recorded a loss amounting to 3,904.02 million for the year ended 31 March 2024.</p> <p>Note 2.2(b) to the standalone financial statements explain that Management has concluded that the going concern basis is appropriate in preparing the standalone financial statements of the Company.</p> <p>The Company evaluated its ability to continue as a going concern based upon an assessment of the following:</p> <ul style="list-style-type: none"> <li>- monetizing the value of the intangibles by way of obtaining marketing rights from regulatory authorities and licensing them;</li> <li>- generating increased revenues from CDMO operations;</li> <li>- raising of funds through issue of non-convertible debentures;</li> <li>- infusion of capital by current shareholders to the extent of partly paid shares; and</li> <li>- continuing financial support from promoter shareholders.</li> </ul>	<p>Our audit procedures to assess the going concern assumption and whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the Company's ability to continue as a going concern included the following audit procedures to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>• Gaining an understanding and assessing the design, implementation and operating effectiveness of Company's key internal controls over preparation of cash flow forecasts to assess its liquidity;</li> <li>• Compared the forecasted cash flows with the Company's business plan approved by the board of directors;</li> <li>• Evaluating the key assumptions in the cash flow forecasts with reference to historical information, current performance, future plans, and market and other external available information;</li> <li>• Performing a retrospective review to assess the reasonableness of Company's past projections by comparing historical forecasts to actual results;</li> </ul>

Sl. No.	Key Audit Matters	Auditor's responses
	<p>This required the exercise of significant judgement, particularly in forecasting the Company's ability to meet all its obligations as and when it falls due. The Management has also considered that the majority of the Company's borrowings are backed by the corporate guarantees of Strides Pharma Science Limited ("Strides"), an entity having significant influence over the Company.</p> <p>Based on their assessment, the Management concluded that there are no material uncertainties related to events or conditions which, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern.</p> <p>Considering the significance of the area to the overall standalone financial statements this was significant for our audit.</p>	<ul style="list-style-type: none"> <li>Assessing the underlying supporting documents including corporate guarantee agreements provided by Strides on behalf of the Company to its lenders and confirmation received from Strides to extend necessary support, contracted licensing and manufacturing service agreements, proposed debt financing related underlying documents;</li> <li>Assessing the pending infusion by the current shareholders towards partly paid-up shares and financial support from the promoters and a promoter group Company;</li> <li>Performing sensitivity analysis on the forecasted cash flows by considering plausible changes to the key assumptions adopted by the Company; and</li> <li>Assessing the adequacy of the disclosures related to application of the going concern assumption.</li> </ul>
2	<p><b>Impairment assessment in respect of carrying value of the assets of the Cash Generating Unit (CGU) (which includes intangible assets under development and assets relating to Unit 1 – Research and Development Unit and Unit 2 - Contract Development and Manufacturing Organization (CDMO) as at 31 March 2024:</b></p> <p>As stated in note 4F of the standalone financial statements, the Management of the Company has assessed the annual impairment of CGU (which includes intangible assets under development and assets relating to Unit 1 – Research and Development Unit and Unit 2 - Contract Development and Manufacturing Organization (CDMO).</p> <p>The carrying value of the CGU is tested by the Management atleast annually for impairment, or more frequently if the events or changes in circumstances indicate that the asset might be impaired. The evaluation requires a comparison of the estimated recoverable value of the CGU to the carrying value of the assets in the CGU. The Management has involved external specialist to carry out impairment assessment.</p> <p>We have considered this to be a key focus area because of the significance of the balance and the significant estimates, judgements and assumptions involved in impairment assessment by the Management, such as:</p> <ul style="list-style-type: none"> <li>Obtaining adequate financing to fulfil the Company's development and commercial activities,</li> <li>the risks associated with development and obtaining regulatory approvals of the Company's products,</li> <li>generation of revenues in due course from the product portfolio and contract manufacturing, attainment of profitable operations,</li> <li>agreeing with the appropriate partner for the developments of product portfolio,</li> <li>meeting or capturing the estimated market share for the product portfolios,</li> <li>discount rate, and</li> <li>probabilities applied to the revenues which also factors management's best estimate of possible delay in product development cycle and regulatory approvals.</li> </ul>	<p><b>Our principal audit procedures performed, among other procedures included:</b></p> <ul style="list-style-type: none"> <li>We obtained an understanding of the Management's process for impairment assessment of the carrying value of assets of the CGU.</li> <li>Evaluated the design and implementation of the relevant controls and carried out testing of the Management's control around the impairment assessment.</li> <li>We inquired with Management to understand the factors considered when performing the impairment assessment including the rationale for the events and circumstances considered based on strategic plans of the entity (business revenue projections), consideration of economic and industry matters and the factors considered regarding the overall value in use conclusion.</li> <li>Evaluated the competence of the Management's expert and the key assumptions considered in the management's estimates of future cash flows.</li> <li>Involved our independent valuation specialist to assist in evaluating methodologies, terminal growth rate, the discount rate applied, which included benchmarking the weighted average cost of capital with sector averages for the relevant markets in which the CGU operates and considering Company specific factors and other key assumptions considered in the calculations.</li> <li>Compared the historical cash flows (including for current year) against past projections of the Management for the same periods and gained understanding of the rationale for the changes.</li> <li>Performed sensitivity analysis on the key assumptions within the forecast cash flows and focused our attention on those assumptions we considered most sensitive to the changes; such as revenue growth during the forecast period, the terminal growth rate and the discount rate applied to the future cash flows.</li> <li>We ascertained the extent to which a change in these assumptions, both individually or in aggregate, would result in impairment, and considered the likelihood of such events occurring.</li> <li>We tested the arithmetical accuracy of the computations.</li> <li>We assessed the accounting principles applied by the Company and adequacy of disclosures in accordance with the Indian Accounting Standards, applicable regulatory financial reporting framework and other accounting principles generally accepted in India.</li> </ul>

### 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 Board'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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### 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 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f) The modification relating to the maintenance of accounts and other matters connected therewith, is as 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 28 to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 37 to the standalone 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 37 to the standalone 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 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 except that (refer note 41 to the standalone financial statements):
- (i) for one accounting software, audit trail was not enabled for certain direct

changes to tables at the application level. Accordingly, we are unable to comment on whether there was any instance of the audit trail feature being tampered with.

- (ii) 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 being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 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 financial 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**  
Chartered Accountants  
(Firm's Registration No. 008072S)

**Sandeep Kukreja**  
(Partner)

Place: Bengaluru  
Date: 17 May 2024

Membership Number: 220411  
(UDIN: 24220411BKERLA2661)

# 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 Onesource Specialty Pharma Limited (“the Company”) as at 31 March 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 31 March 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**  
Chartered Accountants  
(Firm's Registration No. 008072S)

**Sandeep Kukreja**  
(Partner)

Place: Bengaluru  
Date: 17 May 2024

Membership Number: 220411  
(UDIN: 24220411BKERLA2661)

## 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, 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 the 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 programme of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment, capital work-in-progress and relevant details of right-of-use assets at reasonable intervals having regard to the size of the Company and the nature of its activities. No material discrepancies were noted on such verification.
- (c) The Company do not have any immovable properties of freehold land. In respect of immovable properties of buildings that have been taken on lease and disclosed as right of use assets in the 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 31

March 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 according to the 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, quarterly returns or statements comprising stock statements filed by the Company with such banks 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 or security and granted loans or advances in the nature of 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 stood guarantee or provided security to any other entity during the year, and hence reporting under clause (iii)(a) of the order is not applicable.
- (b) The investments made during the year are, in our opinion, prima facie, not prejudicial to the Company’s interest.

- (c) In respect of loans granted and advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts of principal amounts and interest have been regular as per stipulations except for the following:

Nature of entity	Nature	Amount	Due Date	Extent of Delay	Remarks, if any
Biolexis Pte Ltd	Interest on Loan	Rs. 0.05 Million	31 March 2022	730 days	None
Biolexis Pte Ltd	Interest on Loan	Rs. 0.12 Million	31 March 2023	365 days	None



- (d) In respect of following loans granted and advances in the nature of loans provided by the Company, which have been overdue for more than 90 days at the balance sheet date, as explained to us, the Management has taken reasonable steps for recovery of the interest amount:

No. of Cases	Principal amount overdue	Interest overdue	Total overdue	Remarks, if any
1	Nil	Rs. 0.17 Million	Rs. 0.17 Million	None

- (e) None of the loans or advances in the nature of loans granted by the Company have fallen due during the year.
- (f) 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 either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of making investments. The Company has not granted any loans or provided guarantees or securities during the year.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year ended 31 March 2024.
- (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 cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Income-tax, Sales Tax, Service Tax, Duty of custom, Duty of excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities though there have been slight delays in respect of remittance of Provident Fund and Income-tax dues. We have been informed that the provisions of the Employees' State Insurance Act, 1948 are not applicable to the Company.

Undisputed amounts payable in respect of Provident Fund, in arrears as at March 31, 2024 for a period of more than six months from the date they became payable are as given below:

Name of Statute	Nature of the Dues	Amount (Rs.)	Period to which the Amount Relates	Due Date
Employee Provident Fund and Miscellaneous Provisions Act 1952	Provident Fund	4,975	Jun'23	15-Jul-23
		12,325	Jul'23	15-Aug-23
		12,325	Aug'23	15-Sep-23

- b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on 31 March 2024.
- (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 and according to the information and explanations given to us, the Company has not defaulted in repayment of loans to bank except towards working capital facilities provided by one of the bankers where the Company had negotiated for extended timelines for repayment. The said working capital loan is fully repaid during the year.
- (b) The Company has not been declared willful 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 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 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.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- (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 and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year ended 31 March 2024.
- (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 and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the 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 internal audit reports issued to the Company during the year and covering the period upto 31 December 2023 and the draft of the internal audit reports issued after the balance sheet date covering the period 01 January 2024 to 31 March 2024 for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, during the year ended 31 March 2024 the Company has not entered into any non-cash transactions with its directors or directors of its subsidiaries companies or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) 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.
- The Group does not have any Core Investment Company (CIC) as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has incurred cash losses amounting to Rs. 1,678 million during the financial year covered by our audit (excluding write off of inventories and related GST inputs amounting to Rs. 1,211 million which were acquired/spent in earlier years) and Rs. 3,618 million in 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 that 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 (refer note 2.2(b) of the standalone financial statements regarding preparation of financial statements on going concern basis and the rationale for the same). 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) (a) The Company is having net worth of rupees five hundred crore or more during the immediately preceding financial year. Hence, provisions of Section 135 of the Act are applicable to the Company during the year. However, considering that the Company has been incurring losses in

the preceding three financial years, no amount is required to be spent by the Company.

- (b) The Company do not have amount remaining unspent under subsection (5) of Section 135 of the Companies Act, pursuant to any ongoing project, which needs to be transferred to special account in compliance with the provision of sub-section (6) of Section 135 of the said Act.

For **Deloitte Haskins & Sells**

Chartered Accountants  
(Firm's Registration No. 008072S)

**Sandeep Kukreja**

(Partner)

Place: Bengaluru  
Date: 17 May 2024

Membership Number: 220411  
(UDIN: 24220411BKERLA2661)

# Standalone Balance Sheet

as at March 31, 2024

CIN:U74140KA2007PLC043095

₹ in Million

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
<b>A. ASSETS</b>			
<b>I Non-current assets</b>			
(a) Property, Plant and Equipment	4A	6,596.46	11,269.51
(b) Right of use assets	4B	227.84	399.08
(c) Capital work in progress	4C	427.35	1,912.31
(d) Other intangible assets	4D	1,801.56	1,944.68
(e) Intangible assets under development	4E	1,452.90	1,432.38
(f) Financial assets			
(i) Investments	5	39.09	0.10
(ii) Security deposits	6	41.11	100.30
(g) Other non-current assets	7	735.26	743.95
<b>Total non-current assets</b>		<b>11,321.57</b>	<b>17,802.31</b>
<b>II Current assets</b>			
1 (a) Inventories	8	112.31	1,331.57
(b) Financial assets			
(i) Investments	5	157.92	45.00
(ii) Trade receivables	9A	554.05	37.37
(iii) Cash and cash equivalents	10A	63.98	49.10
(iv) Bank balances other than (iii) above	10B	538.56	748.53
(v) Other financial assets	9B	50.00	-
(c) Other current assets	7	287.37	70.53
<b>Total current assets</b>		<b>1,764.19</b>	<b>2,282.10</b>
<b>Total assets (I+II)</b>		<b>13,085.76</b>	<b>20,084.41</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>I Equity</b>			
(a) Equity share capital	11A	40.10	40.10
(b) Other equity	11B	3,937.33	7,827.04
<b>Total Equity</b>		<b>3,977.43</b>	<b>7,867.14</b>
<b>II Liabilities</b>			
<b>1 Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	12	2,715.92	3,348.75
(ii) Lease liabilities	13	83.22	211.15
(b) Provisions	14	23.96	21.50
<b>Total Non-current liabilities</b>		<b>2,823.10</b>	<b>3,581.40</b>
<b>2 Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	2,900.38	5,018.16
(ii) Lease liabilities	13	6.87	64.14
(iii) Trade payables	16		
(A) total outstanding dues of micro and small enterprises		144.46	170.99
(B) total outstanding dues of creditors other than micro and small enterprises		664.93	777.03
(iv) Other financial liabilities	17	1,553.89	1,950.46
(b) Provisions	14	42.98	35.83
(c) Other current liabilities	18	971.72	619.26
<b>Total Current liabilities</b>		<b>6,285.23</b>	<b>8,635.87</b>
<b>Total Equity and liabilities (I+II)</b>		<b>13,085.76</b>	<b>20,084.41</b>

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

Firm's Registration Number : 008072S

For and on behalf of Board of Directors

**Sandeep Kukreja**

Partner

Membership Number : 220411

**P R Kannan**

CFO &amp; Executive Director

DIN : 03435209

**Neeraj Sharma**

Managing Director

DIN : 09402652

**Allada Trisha**

Company Secretary

Membership Number : A47635

Place : Bengaluru

Date : May 17, 2024

Place : Bengaluru

Date : May 17, 2024

# Standalone Statement of Profit and Loss

for the year ended March 31, 2024

CIN:U74140KA2007PLC043095

₹ in Million

Sl No.	Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
<b>A.</b>	<b>Continuing Operations</b>			
1	Revenue from operations	19	1,719.19	387.14
2	Other income	20	42.25	27.04
3	<b>Total income (1+2)</b>		<b>1,761.44</b>	<b>414.18</b>
4	<b>Expenses</b>			
	(a) Consumables	21	705.09	215.51
	(b) Employee benefits expenses	22	793.61	728.01
	(c) Finance costs	23	894.16	475.45
	(d) Depreciation and amortisation expenses	24	762.93	656.80
	(e) Other expenses	25	1,095.65	1,049.82
	<b>Total expenses (4)</b>		<b>4,251.44</b>	<b>3,125.59</b>
5	<b>Loss before exceptional items and tax (3-4)</b>		<b>(2,490.00)</b>	<b>(2,711.41)</b>
6	Exceptional items - loss (net)	26	(1,159.34)	(1,584.13)
7	<b>Loss before tax (5+6)</b>		<b>(3,649.34)</b>	<b>(4,295.54)</b>
8	Tax expense		-	-
9	<b>Loss after tax from Continuing operations (7-8)</b>		<b>(3,649.34)</b>	<b>(4,295.54)</b>
<b>B.</b>	<b>Discontinued Operations</b>			
	(i) Loss from Discontinued Operations	39	(856.30)	(3,695.58)
	(ii) Gain on disposal of assets / settlement of liabilities attributable to the discontinued operations (net)	39	601.62	-
	(iii) Tax expense of discontinued operations		-	-
10	<b>Loss after tax from discontinued operations</b>		<b>(254.68)</b>	<b>(3,695.58)</b>
	Loss for the year (9+10)		(3,904.02)	(7,991.12)
11	<b>Other Comprehensive Income</b>			
	<b>Items that will not be reclassified to statement of profit and loss</b>			
	- Remeasurements of post employment benefit obligations- (loss) / gain	29	(5.25)	4.75
	<b>Total other comprehensive (loss) / income</b>		<b>(5.25)</b>	<b>4.75</b>
12	<b>Total comprehensive loss for the year (10+11)</b>		<b>(3,909.27)</b>	<b>(7,986.37)</b>
13	<b>Loss per share (of ₹ 1/- each) (for continuing operations):</b>	31		
	- Basic		(87.84)	(107.88)
	- Diluted		(87.84)	(107.88)
	<b>Loss per share (of ₹ 1/- each) (for discontinued operations):</b>			
	- Basic		(6.13)	(92.81)
	- Diluted		(6.13)	(92.81)
	<b>Loss per share (of ₹ 1/- each) (for total operations):</b>			
	- Basic		(93.97)	(200.69)
	- Diluted		(93.97)	(200.69)

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

Firm's Registration Number : 008072S

For and on behalf of Board of Directors

**Sandeep Kukreja**

Partner

Membership Number : 220411

**P R Kannan**

CFO &amp; Executive Director

DIN : 03435209

**Neeraj Sharma**

Managing Director

DIN : 09402652

**Allada Trisha**

Company Secretary

Membership Number : A47635

Place : Bengaluru

Date : May 17, 2024

Place : Bengaluru

Date : May 17, 2024

# Standalone Statement of Cash Flow

for the year ended March 31, 2024

CIN:U74140KA2007PLC043095

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
<b>A. Cash flow from operating activities</b>		
Profit / (loss) before tax for the year		
Continuing Operations	(3,649.34)	(4,295.54)
Discontinued Operations	(254.68)	(3,695.58)
<b>Profit / (loss) before tax for the year (including discontinued operations)</b>	<b>(3,904.02)</b>	<b>(7,991.12)</b>
<b>Adjustments for:</b>		
Depreciation and amortisation	953.80	1,141.01
Finance costs	1,171.63	1,207.63
Interest income	(32.65)	(30.32)
Write-off of Property, Plant and Equipment	-	7.11
Share based payment expenses	19.56	59.59
Advance written off	0.73	-
Gain on termination of lease	(38.66)	(9.03)
Loss on sale of asset	62.12	-
Sundry Creditors written off	-	(0.06)
Gain on disposal of assets / settlement of liabilities attributable to the discontinued operations (net)	(601.62)	-
Unrealised exchange (gain)/loss (net)	24.99	221.92
<b>Exceptional Items :</b>		
Provision for inventories (including the inventories of discontinued operations)	1,223.29	1,867.37
Write-off of GST related balance (including the balances of discontinued operations)	97.65	-
Write-off related to inventories and other related balances of Akston Project.	-	491.04
Intangibles under development written-off	-	431.99
Provision for impairment towards investment in Biolexis Private Limited	381.82	-
Provision/(reversal of provision) for bad and doubtful debts in Biolexis Pte Ltd	(45.23)	140.79
Provision/(reversal of provision) for bad and doubtful debts in Biolexis Private Limited	45.15	-
Provision / (reversal of provision) towards investment in Biolexis Pte Ltd	(381.82)	520.31
	<b>2,880.76</b>	<b>6,049.35</b>
<b>Operating profit / (loss) before working capital changes</b>	<b>(1,023.26)</b>	<b>(1,941.77)</b>
<b>Changes in working capital:</b>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Trade receivable	(516.68)	187.86
Other assets (financial & non-financial)	(277.21)	14.15
Decrease / (increase) in inventories	(4.03)	(573.49)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	(163.63)	150.94
Other liabilities (financial & non-financial)	894.92	406.04
	<b>(66.63)</b>	<b>185.50</b>
<b>Net cash used for operating activities</b>		
Income taxes (paid)/refund	-	109.31
<b>Net cash used in operating activities (A)</b>	<b>(1,089.89)</b>	<b>(1,646.96)</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on property, plant and equipments including capital advances	(637.67)	(418.42)
Proceeds from sale of asset	3.97	-
Investments in subsidiaries and others	(465.97)	-
Proceeds from sale of investment	381.83	-
Proceeds from sale of multimodal facility	5,531.70	-
Proceeds from / (contribution to) realisation of margin money on repayment of borrowings	610.17	(268.71)
Investment in fixed deposit	(394.23)	-
Interest received	30.09	30.32
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>5,059.89</b>	<b>(656.81)</b>

# Standalone Statement of Cash Flow

for the year ended March 31, 2024

CIN:U74140KA2007PLC043095

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity shares	-	5,647.58
Proceeds from issue of non-convertible debentures and optionally convertible debentures	3,958.00	500.00
Redemption of non-convertible debentures and optionally convertible debentures	(1,057.50)	-
Proceeds of short term borrowings - Related party	2,539.59	955.00
Repayment of short term borrowings - Related party	(2,904.59)	-
Proceeds of short term borrowings	980.00	78.73
Proceeds of long-term borrowings	-	28.52
Repayment of long-term borrowings	(4,282.28)	(3,962.59)
Repayment of short term borrowings	(1,983.96)	(926.05)
Lease Payments	(65.63)	(85.10)
Interest paid	(1,025.83)	(1,052.91)
<b>Net cash (used in) / flow from financing activities (C)</b>	<b>(3,842.20)</b>	<b>1,183.18</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>127.80</b>	<b>(1,120.59)</b>
Cash and cash equivalents at the beginning of the year	94.10	1,214.69
<b>Cash and cash equivalents at the end of the year</b>	<b>221.90</b>	<b>94.10</b>
<b>Reconciliation of cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents as per Balance Sheet (Refer Note 10A)	63.98	49.10
Liquid Mutual Funds (Refer Note 5)	157.92	45.00
<b>Cash and cash equivalents at the end of the year *</b>	<b>221.90</b>	<b>94.10</b>
* Cash and cash equivalents comprises:		
Cash on hand	0.03	0.66
Balances with banks		
- in current accounts	63.95	48.44
Liquid Mutual Funds	157.92	45.00
<b>Total</b>	<b>221.90</b>	<b>94.10</b>

Refer note 12A for reconciliation between the opening and closing balances in balance sheet for financial liabilities arising from financing activities.

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached

For and on behalf of Board of Directors

For **Deloitte Haskins & Sells**

Chartered Accountants

Firm's Registration Number : 008072S

**Sandeep Kukreja**

Partner

Membership Number : 220411

**P R Kannan**

CFO & Executive Director

DIN : 03435209

**Neeraj Sharma**

Managing Director

DIN : 09402652

**Allada Trisha**

Company Secretary

Membership Number : A47635

Place : Bengaluru

Date : May 17, 2024

Place : Bengaluru

Date : May 17, 2024

# Statement of Changes in Equity

for the year ended March 31, 2024

## A. Equity Share Capital

### (1) Current reporting year

₹ in Million

Balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
40.10	-	40.10

### (2) Previous reporting year

₹ in Million

Balance at the beginning of the previous reporting year	Changes in equity share capital during the previous, year	Balance at the end of the previous reporting year
30.36	9.74	40.10

## B. Other equity

₹ in Million

Particulars	Reserves and Surplus			Total equity attributable to equity holders of the Company
	Securities premium account	Share based payment reserve	Retained earnings	
<b>Balance as at April 01, 2022</b>	<b>16,401.78</b>	<b>-</b>	<b>(6,285.80)</b>	<b>10,115.98</b>
Loss for the year from continuing operations	-	-	(4,295.54)	(4,295.54)
Loss on Discontinuing Operations	-	-	(3,695.58)	(3,695.58)
Premium received on shares issued during the year	5,637.84	-	-	5,637.84
Remeasurements of post employment benefit obligations - Recognised as other comprehensive income	-	59.59	4.75	64.34
<b>Balance as at March 31, 2023</b>	<b>22,039.62</b>	<b>59.59</b>	<b>(14,272.17)</b>	<b>7,827.04</b>
Loss for the year from continuing operations	-	-	(3,649.34)	(3,649.34)
Loss on Discontinuing Operations	-	-	(254.68)	(254.68)
Charge for the year	-	19.56	-	19.56
Remeasurements of post employment benefit obligations - Recognised as other comprehensive income	-	-	(5.25)	(5.25)
<b>Balance as at March 31, 2024</b>	<b>22,039.62</b>	<b>79.15</b>	<b>(18,181.44)</b>	<b>3,937.33</b>

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

Firm's Registration Number : 008072S

For and on behalf of Board of Directors

**Sandeep Kukreja**

Partner

Membership Number : 220411

**P R Kannan**

CFO &amp; Executive Director

DIN : 03435209

**Neeraj Sharma**

Managing Director

DIN : 09402652

**Allada Trisha**

Company Secretary

Membership Number : A47635

Place : Bengaluru

Date : May 17, 2024

Place : Bengaluru

Date : May 17, 2024



# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

## Note No. 1 General Information

Onesource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited) (the 'Company' or 'Stelis') was incorporated in the state of Karnataka on June 12, 2007 and engaged in the research, development, manufacture and commercialisation of biological drug products in various injectable formats. Stelis also offers end-to-end CDMO services across all phases of pre-clinical and clinical development and commercial supply of biologics.

The Company's application to Central Government for change of name from Stelis Biopharma Limited to Onesource Specialty Pharma Limited dated November 26, 2023 was approved by the relevant regulatory authority on February 13, 2024.

## Note No. 2 Material accounting policies

### 2.1 Statement of compliance

These Standalone Financial Statements have been prepared to comply with recognition and measurement principles of Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015, as amended, notified under section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

### 2.2 Basis of preparation and presentation

- (a) The standalone financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting year, as explained in the accounting policies below.

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.

Historical cost is generally based on the fair value of the consideration given in exchange of assets.

- (b) During the year ended March 31, 2024, the Company has incurred loss of ₹ 3,904.02 million (year ended March 31, 2023 : ₹ 7,991.12 million). The current liabilities (including current maturities of long-term debt of ₹ 1,560.38 million) exceeded its current assets by ₹ 4,521.04 million as at March 31, 2024. The Company also requires additional funds to continue its product development activities and day to day operations and completion of capital projects in progress.

The Company has requested temporary relaxations for compliance with the financial covenants from

the lenders for the years ended March 31, 2024 as these have not been met. Pending approval from lenders, the Company has classified the entire outstanding amount as current borrowings as loan agreement provides for call back if financial covenants are breached.

The Company also expects to grow the business of Contract Development and Manufacturing Operations (CDMO). The Company has also signed several Manufacturing Services Agreements (MSA) for its CDMO business which is expected to convert into Commercial supplies under a Commercial Sales Agreement (CSA) on approval for the customer in future.

The Company had entered into the scheme of arrangement whereby the Company, will set up Specialty Pharma CDMO that will be established through the demerger of CDMO unit of SteriScience Specialties Private Limited and Oral Soft Gelatin technologies of Strides Pharma Science Limited. The Company had applied for the Scheme of arrangement during the year and the process of setting up is expected to complete by December 2024.

During the year, the promoter group companies and other Investors have infused funds in the form of debt into the Company aggregating to ₹ 7,497.59 million (including ₹ 2,539.59 million from the promoter group companies). Subsequent to the reporting year, the Company has raised ₹ 2,000 million through issue of 20,000 non-convertible debentures of face value of ₹ 1 lakh each which will list with BSE India. The promoters are committed to continue to provide the requisite financial support to the Company as it requires in the normal course of business.

Majority of the Company's borrowings are backed by the corporate guarantees provided by Strides Pharma Science Limited (Strides), an entity having significant influence on the Company. The Company has received a confirmation from Strides affirming that in case of any guarantees devolving on Strides, they will provide 15 months time for repayment.

The management is confident of executing the aforesaid mitigation plans to ensure that the Company meets all its obligations in the normal course of business

### 2.3 Revenue recognition

Revenue is measured based on the transaction price (net of variable consideration) allocated to that performance obligation. The Company recognises revenue when it

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

transfers control of a product or service to a customer. Revenue is recognised net of discounts, volume rebates, outgoing sales taxes/ goods and service tax and other indirect taxes.

### 2.3.1 Sale of Services

Service income is recognised as per the terms of contracts with the customers when the related services are performed as per the stage of completion or on achievement of agreed milestones and are net of indirect taxes, wherever applicable.

Materials consumed during the process of providing aforesaid services are billed at cost plus agreed upon mark up with the customers.

Goods and Service Tax [GST] is not received by the Company on its own account. Rather, it is a tax collected on value added to the goods and services by the Company on behalf of the government. Accordingly, it is excluded from revenue.

#### Sale of goods

Revenue from sale of goods is recognised upon transfer of control to the customer. The point at which control passes depends on the terms set forth in the customer's contract. Generally, the control is transferred 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 sold.

The Company recognises a deferred income (contract liability) if consideration has been received before the company transfers the promised goods or services to the customer. Deferred income mainly relates to remaining performance obligations in (partially) unsatisfied long-term contracts or are related to amounts the Company expects to receive for goods and services that have not yet been transferred to customers under existing, non-cancellable or otherwise enforceable contracts.

### 2.3.2 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a

time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### 2.4 Functional Currency

The Standalone Financial Statements are presented in Indian rupees, which is the functional currency of the Company. Functional currency of an entity is the currency of the primary economic environment in which the entity operates.

### 2.5 Foreign currencies transactions and translation

At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in statement profit and loss in the year in which they arise.

### 2.6 Leases

#### 2.6.1 The Company as lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

#### 2.6.2 The Company as lessee

The Company assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves—

- (a) the use of an identified asset,
- (b) the right to obtain substantially all the economic benefits from use of the identified asset, and
- (c) the right to direct the use of the identified asset.

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

The Company has entered into lease arrangements for its factory land and office premises. The Company at the inception of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

The lease liability is initially measured at amortized 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. 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.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

## 2.7 Borrowing costs

### Borrowing costs include:

- (i) interest expense calculated using the effective interest rate method,
- (ii) finance charges in respect of finance leases, and
- (iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial year of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the year in which they are incurred.

## 2.8 Employee benefits

### 2.8.1 Short term obligations

Liabilities for wages and salaries, including other benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting year and are measured at the amounts expected to be paid when the liabilities are settled.

### 2.8.2 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting year. Remeasurement, comprising actuarial gains and losses, the effect of the asset ceiling (if applicable) and the return on plan assets (excluding interest), are recognised immediately in the balance sheet with a charge or credit to other comprehensive income in the year in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss when the plan amendment or curtailment occurs, or when the Company recognises related restructuring costs or termination benefits, if earlier. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

### 2.8.3 Defined contribution plan

Contribution to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

### 2.8.4 Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related services are recognised at an actuarially determined liability at the present value of the defined benefit obligation at the Balance sheet date. In respect of compensated absences expected to occur within twelve months after the end of the year in which the employee renders the related services, liability for short-term employee benefits is measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

### 2.8.5 Share based compensations

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting year, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Company 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.

## 2.9 Taxation

The income tax expense or credit for the year is the tax payable on the current year's taxable income, based on the applicable income tax rate for each jurisdiction adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences.

### 2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting year.

### 2.9.2 Deferred tax

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 liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting year, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets includes Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future tax

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

### 2.9.3 Current and deferred tax

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

## 2.10 Property, plant and equipment and depreciation

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed to be different and are as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Dies and punches : 4 years

Certain factory buildings: Lease year of the asset

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

When an item of property, plant and equipment is acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets, the cost of that item is measured at fair value (even if the entity cannot immediately derecognise the asset given up) unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measurable. If the acquired item is not measured at fair value, its cost is measured at the carrying amount of the asset given up.

## 2.11 Intangible assets and amortisation

### 2.11.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

### 2.11.2 Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the year in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in statement of profit or loss in the year in which it is incurred.

Expenses capitalised includes directly attributable cost of preparing intangible asset for its intended use and borrowing costs capitalised in accordance with the Company's accounting policy.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

### 2.11.3 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit or loss when the asset is derecognised.

### 2.11.4 Useful lives of intangible assets

Intangible assets are amortised over their estimated useful life on straight line method.

Software Licenses : 3 - 5 years

Marketing and manufacturing rights : 15 years

## 2.12 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### 2.12.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

### 2.12.2 Contingent liabilities

Contingent liabilities are disclosed in notes when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised in the Standalone Financial Statements.

## 2.13 Financial instruments

### Investment in subsidiaries

The Company has accounted for its investments in subsidiaries at cost less impairment.

### Other financial assets and financial liabilities

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

### Initial recognition and measurement:

Other financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

## Subsequent measurement:

**Financial assets at amortised cost:** Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets at fair value through profit or loss:** Financial assets are measured at fair value through profit or loss unless it measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

## Derecognition of financial assets and liabilities:

The Company derecognises the financial asset only when the contractual rights to the cashflows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of the ownership of the asset to the other entity . If the Company neither transfers nor retains substantially all risks and rewards of ownership and continues to control the transferred asset , the Company recognizes its retained interest in the asset and associated liability for the amounts it may have to pay . If the Company retains substantially all risks and rewards of the ownership of a transferred financial asset , the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received. Financial liabilities are derecognised when these are extinguished , that is when the obligation is discharged, cancelled or has expired.

## Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

## 2.14 Impairment of assets

### Impairment of non-financial assets

At the end of each reporting year, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount

of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

### Impairment of financial assets:

The Company assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

### Impairment of investment in subsidiaries:

The Company reviews its carrying value of investments in subsidiaries at cost, annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

## 2.15 Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads. Cost is determined as follows:

Raw materials, packing materials and consumables	Weighted average basis
Finished Goods and WIP	Weighted average basis - Includes appropriate proportion of overheads

## 2.16 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.

## 2.17 Operating Cycle

As mentioned in para 1 above under 'General information', the Company is into development and manufacture of pharmaceutical products. Based on the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 3 years to 5 years and 12 months relating to research and development activities and manufacturing of pharmaceutical products respectively. The above basis is used for classifying the assets and liabilities into current and non-current as the case may be.

## 2.18 Government Grants

Grants from the Government are recognised when there is reasonable assurance that:

- (i) the Company will comply with the conditions attached to them; and
- (ii) the grant will be received.

Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the years necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. Government grants related to assets, including nonmonetary grants at fair value, shall be presented in the balance sheet by setting up the grant as deferred income. The grant set up as deferred income is recognised in profit or loss on a systematic basis over the useful life of the asset.

## 2.19 Exceptional Items

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary

activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

## 2.20 Statement of Cash Flow

Cash flows are reported using the indirect method, where by Profit / (Loss) for the year is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

## 2.21 Discontinued Operations

A discontinued operation is a component of the Company's business that represents a separate line of business that has been disposed off or is held for sale. Classification as a discontinued operation occurs upon the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

The gain or loss arising on disposal business is recognised in the statement of profit and loss.

## 2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

## Note No. 3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires the management to make estimates and assumptions that affect the amounts reported for assets and liabilities including the recoverability of tangible and intangible assets, disclosure of contingent liabilities as at the date of the Standalone Financial Statements and the reported amounts of income and expenses during the reported year. Estimates and judgments are continually evaluated by the management.

### 3.1 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### 3.1.1 Useful lives of property, plant and equipment and Intangible assets

The Company reviews the useful life of property, plant and equipment and intangible assets at the end of each reporting year. This assessment may result in change in the depreciation expense in future years.



# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

## 3.1.2 Recoverability of non-current assets

Annually, the Company reviews the carrying amount of carrying value of the assets of the Cash Generating Unit (CGU) (which included the property, plant and equipment, capital work-in progress, right-of use asset, intangible asset and intangible assets under development) for impairment. The recoverability of non-current assets is based on the estimated future cash flows, using the Company's current business plan. The value in use of the assets were determined using a discounted cash flow methodology based primarily on unobservable inputs, including estimated post-tax future cash flows attributable to the assets and a post-tax discount rate reflecting a current market assessment of the time value of money and the risks specific to the assets. The changes in current estimates due to unanticipated events could have significant impact on the Standalone Financial Statements.

## 3.1.3 Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in note 29

## 3.1.4 Going Concern

The Company has mitigating plans due to which there is a reasonable expectation that the Company will be able to generate/raise adequate resources to continue operating for the foreseeable future and that the going concern basis for the preparation of its Standalone Financial Statements remains appropriate. Also see Note 2.2(b).

## 3.1.5 Share based compensations

At the end of each reporting year, the Company 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.

## 3.1.6 Leases under Ind AS 116

Ind AS 116 requires lessees to determine the lease term as the non-cancellable year of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company 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 Company 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 Company'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.

## 3.1.7 Estimation of uncertainties relating to the geopolitical situation in Russia and Ukraine:

As at March 31, 2024, the Company has considered possible effects that may result from geopolitical situation in Russia and Ukraine, in preparation of the Standalone Financial Statements including assessing the recoverability of property, plant and equipment, intangible assets, capital work in progress, intangible assets under development, right of use assets, inventories and other assets. The Company has considered both internal and external information up to the date of approval of these Standalone Financial Statements. Based on current indicators of future economic conditions, the Management expects to recover the carrying amount of these assets. However, the impact of this geopolitical situation may be different from that estimated as at the date of approval of these financial statements given the uncertainties associated with its nature and duration. The Company will continue to closely monitor any material changes to future economic conditions.

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note No. 4A Property, Plant and Equipment

Particulars	Gross carrying value				Accumulated depreciation				Net carrying value	
	As at April 01, 2023	Additions	Disposals	Derecognised on disposal of business (refer note 39)	As at March 31, 2024	Depreciation expense for the year	Eliminated on disposal of assets	Eliminated on disposal of business (refer note 39)	As at March 31, 2024	As at March 31, 2023
	₹ in Million									
Leasehold Improvements	1,440.89	4.48	-	233.56	1,211.81	53.87	-	44.61	263.81	1,186.34
	(1,428.88)	(12.31)	(0.25)	-	(1,440.89)	(86.53)	(0.24)	-	(254.55)	(1,186.34)
Plant and Machinery	11,932.32	660.98	78.01	4,895.04	7,620.25	660.96	12.33	648.79	2,073.14	5,547.11
	(11,568.60)	(401.90)	(38.18)	-	(11,932.32)	(875.50)	(25.20)	-	(2,073.30)	(9,859.02)
Office equipments	124.21	6.77	-	26.37	104.61	24.36	-	8.60	89.30	15.31
	(116.98)	(7.45)	(0.22)	-	(124.21)	(23.66)	(0.21)	-	(73.54)	(66.89)
Computers	164.97	10.50	-	61.25	114.22	22.72	-	20.23	82.75	31.47
	(156.41)	(12.37)	(3.81)	-	(164.97)	(28.33)	(3.55)	-	(80.26)	(84.71)
Furniture and fixtures	110.92	2.58	1.32	32.29	79.89	9.16	0.91	5.29	26.19	53.70
	(96.44)	(17.95)	(3.47)	-	(110.92)	(10.99)	(2.87)	-	(23.23)	(87.69)
Vehicles	1.72	-	-	-	1.72	0.21	-	-	0.85	0.87
	(1.72)	-	-	-	(1.72)	(0.21)	-	-	(0.64)	(1.29)
<b>Total</b>	<b>13,775.03</b>	<b>685.31</b>	<b>79.33</b>	<b>5,248.51</b>	<b>9,132.50</b>	<b>771.28</b>	<b>13.24</b>	<b>727.52</b>	<b>2,536.04</b>	<b>11,269.51</b>
<b>Previous year</b>	<b>(13,368.98)</b>	<b>(451.98)</b>	<b>(45.93)</b>	<b>-</b>	<b>(13,775.03)</b>	<b>(1,025.22)</b>	<b>(32.07)</b>	<b>-</b>	<b>(2,505.52)</b>	<b>(11,856.61)</b>

### Notes:-

- Figures in bracket relates to previous year (April 01, 2022 to March 31, 2023)
- Properties, plant and equipment are pledged as security - towards term loan by the Company.

### Note No. 4B Right of Use Assets

Particulars	Gross carrying value				Accumulated depreciation				Net carrying value	
	As at April 01, 2023	Additions	Disposals	Derecognised on disposal of business (refer note 39)	As at March 31, 2024	Depreciation expense for the year	Eliminated on disposal of assets	Eliminated on disposal of business (refer note 39)	As at March 31, 2024	As at March 31, 2023
	₹ in Million									
Land	157.35	34.80	-	-	192.15	8.03	-	-	16.11	176.04
	(157.35)	-	-	-	(157.35)	(6.45)	-	-	(8.08)	(149.27)
Building	382.71	-	-	321.75	60.96	32.94	-	157.54	10.15	50.81
	(321.74)	(60.97)	-	-	(382.71)	(71.49)	-	-	(134.75)	(258.48)
Plant and Machinery	4.31	-	-	-	4.31	0.86	-	-	3.32	0.99
	(4.31)	-	-	-	(4.31)	(0.86)	-	-	(2.46)	(1.85)
<b>Total</b>	<b>544.37</b>	<b>34.80</b>	<b>-</b>	<b>321.75</b>	<b>257.42</b>	<b>41.83</b>	<b>-</b>	<b>157.54</b>	<b>29.58</b>	<b>399.08</b>
<b>Previous year</b>	<b>(483.40)</b>	<b>(60.97)</b>	<b>-</b>	<b>-</b>	<b>(544.37)</b>	<b>(73.98)</b>	<b>-</b>	<b>-</b>	<b>(399.08)</b>	<b>(412.09)</b>

### Notes:-

- Figures in bracket relates to previous year (April 01, 2022 to March 31, 2023)

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note No. 4C Capital Work in Progress

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance	1,912.31	677.56
Add: Additions during the year	186.71	1,699.67
Less: Capitalised during the year	(686.76)	(464.92)
Less: Derecognised on disposal of business (refer note 39)	(984.91)	-
<b>Closing Balance</b>	<b>427.35</b>	<b>1,912.31</b>

₹ in Million

Capital Work in Progress	Amount in CWIP for a period of				As at March 31, 2024
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	78.38	122.86	1.18	224.93	427.35
	<b>78.38</b>	<b>122.86</b>	<b>1.18</b>	<b>224.93</b>	<b>427.35</b>

₹ in Million

Capital Work in Progress	Amount in CWIP for a period of				As at March 31, 2023
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1,393.01	259.79	18.90	240.61	1,912.31
	<b>1,393.01</b>	<b>259.79</b>	<b>18.90</b>	<b>240.61</b>	<b>1,912.31</b>

As on the date of the balance sheet, there are no capital work-in-progress projects whose completion is overdue or has exceeded the cost, based on the recent approved plan.

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note No. 4D Other Intangible Assets

Particulars	Gross carrying value				Accumulated depreciation				Net carrying value		
	As at April 01, 2023	Additions	Disposals	Derecognised on disposal of business (refer note 39)	As at March 31, 2024	As at April 01, 2023	Depreciation expense for the year	Eliminated on disposal of assets	Eliminated on disposal of business (refer note 39)	As at March 31, 2024	As at March 31, 2023
Software licenses	75.74	1.45	-	6.17	71.02	33.92	11.96	-	2.27	43.61	27.41
	(62.80)	(12.94)	-	-	(75.74)	(19.97)	(13.95)	-	-	(33.92)	(41.82)
Marketing and manufacturing rights	1,930.72	-	-	-	1,930.72	27.86	128.71	-	-	156.57	1,774.15
	-	(1,930.72)	-	-	(1,930.72)	-	(27.86)	-	-	(27.86)	(1,902.86)
<b>Total</b>	<b>2,006.46</b>	<b>1.45</b>	<b>-</b>	<b>6.17</b>	<b>2,001.74</b>	<b>61.78</b>	<b>140.67</b>	<b>-</b>	<b>2.27</b>	<b>200.18</b>	<b>1,801.56</b>
<b>Previous year</b>	<b>(62.80)</b>	<b>(1,943.66)</b>	<b>-</b>	<b>-</b>	<b>(2,006.46)</b>	<b>(19.97)</b>	<b>(41.81)</b>	<b>-</b>	<b>-</b>	<b>(61.78)</b>	<b>(1,944.68)</b>

₹ in Million

#### Notes:-

- Figures in bracket relates to previous year (April 01, 2022 to March 31, 2023)
- Marketing and manufacturing rights has a remaining amortisation period of 164 months as at March 31, 2024 (March 31, 2023 : 176 months)

### Note No. 4E Intangible assets under development

Particulars	As at March 31, 2024	As at March 31, 2023
Intangible assets under development	1,452.90	1,432.38
<b>Total</b>	<b>1,452.90</b>	<b>1,432.38</b>

₹ in Million

Intangible assets under development	Amount for a period of				As at March 31, 2024
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	5.09	70.99	27.95	4.23	108.26
Projects temporarily suspended	15.43	116.71	206.15	1,006.35	1,344.64
	<b>20.52</b>	<b>187.70</b>	<b>234.10</b>	<b>1,010.58</b>	<b>1,452.90</b>

₹ in Million

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note No. 4E Intangible assets under development (Contd..)

#### Intangible assets under development completion schedule whose completion is overdue as at March 31, 2024

₹ in Million

Intangible assets under development	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1	-	1,344.64	-	-	1,344.64
	-	<b>1,344.64</b>	-	-	<b>1,344.64</b>

₹ in Million

Intangible assets under development	Amount in Intangible assets under development for a period of				As at March 31, 2023
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	187.70	234.10	239.69	770.89	1,432.38
Projects temporarily suspended	-	-	-	-	-
	<b>187.70</b>	<b>234.10</b>	<b>239.69</b>	<b>770.89</b>	<b>1,432.38</b>

As on the date of the balance sheet, there are no intangibles under development projects whose completion is overdue or has exceeded the cost other than disclosed above, based on approved plan.

### Note No. 4F Annual Impairment assessment (CDMO-1 business and intangible assets under development):

The Management of the Company have performed annual impairment assessment of the carrying value of the assets of the Cash Generating Unit (CGU) (which included the CDMO business and intangible assets under development) amounting to ₹ 10,655 million as at December 31, 2023 (December 31, 2022: ₹ 10,342 million). The "value in use" of the CGU has been determined by the external valuation experts using discounted cash flow approach. Based on such valuation, the Company has assessed that there is no impairment.

Determination of value in use involves significant estimates and assumptions that affect the reporting CGU's expected future cash flows. These estimates and assumptions, primarily include, but are not limited to:

- obtaining adequate financing to fulfil the Company's development and commercial activities,
- the risks associated with development and obtaining regulatory approvals of the Company's products,
- generation of revenues in due course from the product portfolio and contract manufacturing,
- attainment of profitable operations,
- agreeing with the appropriate partner for the developments of product portfolio,
- meeting or capturing the estimated market share for the product portfolios and
- discount factors

The expected cash flows used in computation of value in use are based on the probabilities applied to the revenues which also factors management's best estimate of possible delay in product development cycle and regulatory approvals and are discounted using a post tax discount rate of 18.5% (December 31, 2022: 22.5%). The terminal value of cash generating unit is arrived at by extrapolating cash flows of latest forecasted year to perpetuity using a constant long-term growth rate of 5% (March 31, 2023: 5%) p.a. which is consistent with the industry forecasts for the biosimilar market.

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note No. 4F Annual Impairment assessment (CDMO-1 business and intangible assets under development): (Contd..)

Further, the percentage movement in key assumptions that (individually) would be required to reach the point at which the value in use approximates its carrying value is given below:

- Increase in discount rate by 16.88 % (December 31, 2022: 15.37%)
- Increase in discount rate by 16.08% and nil terminal growth rate (December 31, 2022: 13.36%)

Following the annual impairment assessment, the management re-evaluated its estimates and assumptions used in impairment assessment based on its review of current indicators of future economic conditions. Based on such assessment, the management concluded that no significant changes to aforesaid estimates and assumptions were necessary and the Company expects to recover carrying values of such assets as at March 31, 2024.

### Note No. 5 Investments

₹ in Million

Particulars	As at March 31, 2024			As at March 31, 2023		
	Qty	Amount		Qty	Amount	
		Current	Non Current		Current	Non Current
<b>Investment carried at cost:</b>						
<b>Investments in subsidiaries (carried at cost less provision for impairment)</b>						
<b>Equity shares, unquoted</b>						
Biolexis Pte Ltd , Singapore* (formally known as Stelis Pte Ltd)	-	-	-	45,90,001	-	516.59
Biolexis Private Limited	50,00,000	-	50.00	10,000	-	0.10
Less : Provision for Impairment*	-	-	(48.82)	-	-	(516.59)
<b>Redeemable Preference shares, unquoted</b>						
Biolexis Pte Ltd [Redeemable Preference shares of USD 1 each fully paid up]*	-	-	-	50,000	-	3.72
Less : Provision for Impairment*	-	-	-	-	-	(3.72)
<b>OCD (Optionally Convertible Debentures)#</b>						
Biolexis Private Limited	-	-	333.00	-	-	-
Less : Provision for Impairment**	-	-	(333.00)	-	-	-
<b>Total [A]</b>	<b>50,00,000</b>	<b>-</b>	<b>1.18</b>	<b>46,50,001</b>	<b>-</b>	<b>0.10</b>
<b>Other Investments (carried at fair value through profit and loss)</b>						
<b>Equity shares, unquoted</b>						
AMP Energy C&I Private Limited ®	3,79,100	-	3.79	-	-	-
<b>Compulsory Convertible Debentures</b>						
AMP Energy C&I Private Limited ®	34,119	-	34.12	-	-	-
<b>Total [B]</b>	<b>4,13,219</b>	<b>-</b>	<b>37.91</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Investments carried at fair value:</b>						
<b>Mutual Funds, quoted</b>						
SBI Overnight Fund Direct Growth ®®	-	-	-	12,333	45.00	-
SBI Magnum Ultra Short Duration Fund Direct Growth@@	28,495	157.92	-	-	-	-
<b>Total [C]</b>	<b>28,495</b>	<b>157.92</b>	<b>-</b>	<b>12,333</b>	<b>45.00</b>	<b>-</b>
<b>Total [A+B+C]</b>	<b>54,41,714</b>	<b>157.92</b>	<b>39.09</b>	<b>46,62,334</b>	<b>45.00</b>	<b>0.10</b>

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note No. 5 Investments (Contd..)

₹ in Million

Particulars	As at March 31, 2024			As at March 31, 2023		
	Qty	Amount		Qty	Amount	
		Current	Non Current		Current	Non Current
Aggregate amount of quoted investments	28,495	157.92	-	12,333	45.00	-
Aggregate amount of market value of investments	28,495	157.92	-	12,333	45.00	-
Aggregate amount of unquoted investments	54,13,219	-	39.09	46,50,001	-	0.10
Aggregate amount of impairment in value of investments	-	-	381.82	-	-	520.31

\* During the previous year, based on the impairment assessment carried out by the management of the Company, the investments in Biolexis Pte Ltd, Singapore amounting to ₹ 520.31 million was impaired during the previous year and disclosed as exceptional items in the Statement of profit and loss.

On August 30, 2023, the Company has transferred its investment in Biolexis Pte Ltd (Subsidiary of the Company) to Biolexis Private Limited (Subsidiary of the Company) for a consideration of ₹ 381.82 million. Pursuant to this change in the corporate structure, the Company has reversed the provision for investments in Biolexis Pte Ltd and disclosed under exceptional items in the Statement of profit and loss.

\*\* During the year, the Company has invested ₹ 333 million into OCD and ₹ 49.90 million into equity shares in Biolexis Private Limited. Based on the impairment assessment carried out by the management, the investments in Biolexis Private Limited amounting to ₹ 381.82 million are impaired and disclosed as exceptional items in the Statement of profit and loss.

# The OCD's will be convertible into equity shares of the subsidiary company at the sole option of the Company, at any point of time during the tenure, through issuance of a written notice to the subsidiary company requiring to convert all or any of its OCD's into Equity shares.

® During the current year, the Company has invested an amount of ₹ 37.91 million in AMP Energy C&I Private Limited pursuant to Power Purchase Agreement and Securities Subscription and Shareholder's Agreement dated September 27, 2023. The Company's investment represents 10.13% ownership on fully diluted basis of the AMP Energy C&I Private Limited and the investment is in accordance with Electricity Act 2003 which stipulates consumer partners to have atleast 26% ownership in the electricity generating entity together with the other consumer partners. The Company's ownership is purely to meet the regulatory requirement and hence the Company has not consolidated the share of profit or loss of AMP Energy C&I Private Limited for the financial year March 31, 2024.

®® Investment in liquid mutual funds is considered as cash and cash equivalents as per Ind AS 7 Cash flow statement.

### Note No. 6 Financial asset - Security Deposits

₹ in Million

Particulars	As at March 31, 2024		As at March 31, 2023	
	Current	Non- Current	Current	Non- Current
<b>Unsecured, Considered good:</b>				
- Security deposits*	-	41.11	-	100.30
<b>Total</b>	-	<b>41.11</b>	-	<b>100.30</b>

\* Includes security deposit given to related parties (refer note 32)

### Note No. 7 Other assets

₹ in Million

Particulars	As at March 31, 2024		As at March 31, 2023	
	Current	Non- Current	Current	Non- Current
<b>Unsecured, considered good:</b>				
- Capital advances	-	183.52	-	112.85
- Balances with government authorities	-	-	-	12.74
- VAT/CST refund receivable	-	-	-	594.15
- GST credit & other receivable	-	543.75	-	-
- TDS receivable	137.33	-	25.29	-
- Advances to vendors	115.06	-	33.13	-
- Advances to employees	4.33	-	1.75	-
- Prepaid expenses	30.65	7.99	10.36	24.21
<b>Unsecured, considered doubtful:</b>				
- Advances to vendors	144.01	-	144.01	-
- Less : Allowance for doubtful advances	(144.01)	-	(144.01)	-
	-	-	-	-

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note No. 7 Other assets (Contd..)

₹ in Million

Particulars	As at March 31, 2024		As at March 31, 2023	
	Current	Non- Current	Current	Non- Current
- Receivable from related parties	-	45.14	-	-
- Less : Provision for loss allowance	-	(45.14)	-	-
	-	-	-	-
<b>Total</b>	<b>287.37</b>	<b>735.26</b>	<b>70.53</b>	<b>743.95</b>

### Note No. 8 Inventories

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials	726.81	731.77
Consumables	556.97	658.00
Less : Provision for Inventory Obsolescence	(1,171.47)	(58.20)
<b>Total</b>	<b>112.31</b>	<b>1,331.57</b>

#### Inventories procured to manufacture Sputnik Light Vaccine

The Company and the Russian Direct Investment Fund (RDIF, Russia's sovereign wealth fund) had entered into a manufacturing and supply agreement to produce Russian Sputnik Vaccines during FY 2020-21. The agreement between RDIF and the Company was reached under the aegis of Enso Healthcare LLP, RDIF's coordination partner for sourcing Sputnik vaccines in India. The above tactical opportunity with Sputnik Light's take or pay contract with RDIF did not fructify due to geopolitical conflicts between Russia and Ukraine and subsequent sanctions on Russia.

During the current year, the Company has made provision for raw materials and packing materials procured to manufacture Sputnik Light vaccines (including GST inputs credit on such inventories) of ₹ 1,159.21 million in the absence of any immediate alternate usage for these inventories.

### Note No. 9A Trade receivables

₹ in Million

Particulars	As at March 31, 2024		As at March 31, 2023	
	Current	Non- Current	Current	Non- Current
Trade receivables (unsecured)				
Considered good*	554.05	-	37.37	-
Considered doubtful	95.59	-	140.78	-
	<b>649.64</b>	<b>-</b>	<b>178.15</b>	<b>-</b>
Provision for loss allowance	(95.59)	-	(140.78)	-
<b>Total</b>	<b>554.05</b>	<b>-</b>	<b>37.37</b>	<b>-</b>

\*Includes receivables from related parties (refer note 32)

#### Movement in provision for loss allowance is as follows:

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance	140.78	-
Allowance for doubtful debts	-	147.56
Reversal of provision for doubtful debts	(45.19)	-
Written off during the year	-	(6.78)
<b>Closing Balance</b>	<b>95.59</b>	<b>140.78</b>



## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note No. 9A Trade receivables (Contd..)

₹ in Million

Particulars	Not Due	Outstanding for following periods from due date of payment					As at March 31, 2024
		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	403.92	77.91	59.53	6.48	6.18	0.03	554.05
(ii) Undisputed Trade Receivables - considered doubtful	-	-	0.12	0.05	95.21	0.21	95.59
	<b>403.92</b>	<b>77.91</b>	<b>59.65</b>	<b>6.53</b>	<b>101.39</b>	<b>0.24</b>	<b>649.64</b>

₹ in Million

Particulars	Not Due	Outstanding for following periods from due date of payment					As at March 31, 2023
		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	22.87	14.10	0.18	0.19	-	0.03	37.37
(ii) Undisputed Trade Receivables - considered doubtful	-	0.12	-	140.66	-	-	140.78
	<b>22.87</b>	<b>14.22</b>	<b>0.18</b>	<b>140.85</b>	<b>-</b>	<b>0.03</b>	<b>178.15</b>

### Note No. 9B Other financial assets

₹ in Million

Particulars	As at March 31, 2024		As at March 31, 2023	
	Current	Non- Current	Current	Non- Current
- Receivable towards sale of multimodal facility (refer note 39)				
Considered good	50.00	-	-	-
Considered doubtful	50.00	-	-	-
Provision for doubtful debts	(50.00)	-	-	-
<b>Total</b>	<b>50.00</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Note No. 10A Cash and cash equivalents

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	0.03	0.66
Balances with banks		
- in current accounts	63.95	48.44
<b>Total</b>	<b>63.98</b>	<b>49.10</b>
The balances that meet the definition of cash and cash equivalents as per IndAS 7 Cash flow statement is (including liquid mutual funds of ₹ 157.92 million (As at March 31, 2023 : ₹ 45 million)	221.90	94.10

### Note No. 10B Other balances with banks

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
Balance held as margin money:		
- against borrowing facilities with banks	538.56	748.53
<b>Total</b>	<b>538.56</b>	<b>748.53</b>

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note No. 11A Equity Share Capital

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Authorised</b>		
50,000,000 Equity shares of ₹1/- each with voting rights (50,000,000 Equity shares of ₹1/- each with voting rights as on March 31, 2023)	50.00	50.00
	<b>50.00</b>	<b>50.00</b>
<b>Issued, subscribed and fully paid up</b>		
40,023,816 Fully paid equity share of ₹1/- (40,023,816 Equity shares of ₹1/- each with voting rights as on March 31, 2023)	40.02	40.02
<b>Issued, subscribed and partly paid up</b>		
1,522,694 Partly paid equity share of ₹0.05/- (1,522,694 Partly paid equity share of ₹0.05/- as on March 31, 2023)	0.08	0.08
<b>Total</b>	<b>40.10</b>	<b>40.10</b>

#### (i) Reconciliation of the number of shares and amount outstanding

Particulars	Opening Balance	Issue of shares during the year	Closing Balance
Equity shares of ₹1/- each with voting rights, fully paid Year ended March 31, 2024			
No. of Shares	4,00,23,816	-	4,00,23,816
Amount ₹ in Million	40.02	-	40.02
Partly paid equity shares of ₹0.05/- each Year ended March 31, 2024			
No. of Shares	15,22,694	-	15,22,694
Amount ₹ in Million	0.08	-	0.08
Equity shares of ₹1/- each with voting rights, fully paid Year ended March 31, 2023			
No. of Shares	2,98,96,810	1,01,27,006	4,00,23,816
Amount ₹ in Million	29.90	10.12	40.02
Partly paid equity shares of ₹0.05/- each Year ended March 31, 2023			
No. of Shares	91,99,470	(76,76,776)	15,22,694
Amount ₹ in Million	0.46	(0.38)	0.08

The Company has only once class of equity shares having a par value of ₹1/- each. The holder of equity shares is entitled to one vote per share.

#### (ii) Shares held by promoters at the end of the year:

Name of shareholder	No. of shares at the beginning of the year			Change during the year	As at March 31, 2024				% Change during the year
	Fully paid Equity Shares	Partly paid equity shares	Number of shares		Fully paid Equity Shares	Partly paid equity shares	Number of shares	%	
Tenshi Pharmaceuticals Private Limited	44,50,021	15,22,694	59,72,715	-	44,50,021	15,22,694	59,72,715	14.38%	0.00%
Karuna Business Solutions LLP	66,13,370	-	66,13,370	-	66,13,370	-	66,13,370	15.92%	0.00%

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note No. 11A Equity Share Capital (Contd..)

Name of shareholder	No. of shares at the beginning of the year			Change during the year	As at March 31, 2023				% Change during the year
	Fully paid Equity Shares	Partly paid equity shares	Number of shares		Fully paid Equity Shares	Partly paid equity shares	Number of shares	%	
Tenshi Pharmaceuticals Private Limited	40,01,400	19,71,315	59,72,715	-	44,50,021	15,22,694	59,72,715	14.38%	14.59%
Karuna Business Solutions LLP	-	53,88,255	53,88,255	12,25,115	66,13,370	-	66,13,370	15.92%	13.78%

### (iii) Details of equity shares held by each shareholder holding more than 5% of shares:

₹ in Million

Name of shareholder	As at March 31, 2024		As at March 31, 2023	
	Number of shares	%	Number of shares	%
Strides Pharma Science Limited	1,10,89,320	26.69%	1,10,89,320	26.69%
Tenshi Pharmaceuticals Private Limited	59,72,715	14.38%	59,72,715	14.38%
Karuna Business Solutions LLP	66,13,370	15.92%	66,13,370	15.92%
Medella Holdings Pte Ltd	64,11,305	15.43%	64,11,305	15.43%
Route One Fund I, L.P	26,87,200	6.47%	26,87,200	6.47%
TIMF Holdings	25,16,700	6.06%	25,16,700	6.06%

### Note No. 11B Other equity

₹ in Million

Particulars	Note no.	As at March 31, 2024	As at March 31, 2023
Reserves and Surplus	A	3,937.33	7,827.04
<b>Total</b>		<b>3,937.33</b>	<b>7,827.04</b>

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(A) Reserves and surplus</b>		
<b>(i) Security premium account</b>		
Opening balance	22,039.62	16,401.78
Add: Premium on equity shares issued during the year	-	5,637.84
<b>Closing balance</b>	<b>22,039.62</b>	<b>22,039.62</b>
<b>(ii) Retained earnings</b>		
Opening balance	(14,272.17)	(6,285.80)
Add: Profit/(Loss) for the year	(3,649.34)	(4,295.54)
Add: Loss from discontinuing Operations for the year	(254.68)	(3,695.58)
Add: Remeasurements of post employment benefit obligations - Recognised as other comprehensive income	(5.25)	4.75
<b>Closing balance</b>	<b>(18,181.44)</b>	<b>(14,272.17)</b>

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note No. 11B Other equity (Contd..)

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(iii) Share based payment reserve</b>		
Opening balance	59.59	-
Add: Charge for the year	19.56	59.59
Less: Transfer to securities premium on account of exercise	-	-
<b>Closing balance</b>	<b>79.15</b>	<b>59.59</b>
<b>Total Reserves and Surplus (A)</b>	<b>3,937.33</b>	<b>7,827.04</b>

#### Nature and purpose of reserves

- (a) **Securities Premium** : Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.
- (b) **Retained Earnings** : Retained earnings are the profits that the Company has earned till date, less any transfers to other reserves, dividends or other distributions paid to its equity shareholders.
- (c) **Share based payment reserve** : The fair value of the equity-settled share based payment transactions with employees is recognised in statement of profit and loss with corresponding credit to employee stock options outstanding account. The amount of cost recognised is transferred to share premium on exercise of the related stock options.

### Note No. 12 Non-current borrowings

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Secured:</b>		
- Term loan from banks (refer note 1 below)	121.04	2,848.75
<b>Un-secured:</b>		
- Non convertible debentures (refer note 1 below)	2,099.70	500.00
- Loans from related parties (refer note 32)	495.18	-
<b>Total</b>	<b>2,715.92</b>	<b>3,348.75</b>
Current maturities of non-current borrowings (including working capital loan)	2,900.38	5,018.16
<b>Total</b>	<b>5,616.30</b>	<b>8,366.91</b>

#### Note 1

##### Details of security and terms of repayment of non-current borrowings

₹ in Million

Terms of repayment and security - Loan 1	As at March 31, 2024	As at March 31, 2023
Non-current borrowings	-	434.60
Current maturities of non-current borrowings	-	288.77
Security: The said loan is secured by first pari passu charge of movable and immoveable assets of the Company including current assets and pledge of 30% shares in the Company held by Strides Pharma Science Limited. Rate of interest: 3 month LIBOR + 365 bps per annum Repayment to be made over 28 equal quarterly instalments. The Company has prepaid the outstanding balance during the year. (March 31, 2023: 10 instalments) Strides Pharma Science Limited has provided corporate guarantee for the said loan.		

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note No. 12 Non-current borrowings (Contd..)

₹ in Million

Terms of repayment and security - Loan 2	As at March 31, 2024	As at March 31, 2023
Non-current borrowings	-	194.49
Current maturities of non-current borrowings	194.49	110.21
Security: The said loan is secured by first pari passu charge of movable and immoveable assets of the Company including current assets and pledge of 30% shares in the Company held by Strides Pharma Science Limited. Rate of interest: I Base rate 9.35% + spread of 0.8% which is reset by lender at the end of every 12 months Repayment to be made over 28 equal quarterly instalments. The outstanding term as at March 31, 2024 are 7 instalments (March 31, 2023: 11 installments) Strides Pharma Science Limited has provided corporate guarantee for the said loan.		

₹ in Million

Terms of repayment and security - Loan 3	As at March 31, 2024	As at March 31, 2023
Non-current borrowings	-	878.97
Current maturities of non-current borrowings	878.89	380.60
Security: The said loan is secured by first pari passu charge of movable and immoveable assets of the Company including current assets. Rate of interest: 9.55% linked to 3M IBL MCLR. MCLR to be reset on annual basis. Repayment to be made over 20 equal quarterly instalments. The outstanding term as at March 31, 2024 are 9 instalments. (March 31, 2023: 13 installments). The loan is supported by corporate guarantee of Strides Pharma Science Limited.		

₹ in Million

Terms of repayment and security - Loan 4	As at March 31, 2024	As at March 31, 2023
Non-current borrowings	-	-
Current maturities of non-current borrowings	-	512.73
Security: The said loan was secured by first pari passu charge of movable and immoveable assets of the Company Rate of interest: 7.30% and Spread 1%. Spread will be reset by lender at the end of every year. Repayment to be made over 16 equal monthly instalments. The Company has repaid the outstanding balance during the year. (March 31, 2023 : 3 installments) The loan is supported by corporate guarantee of Strides Pharma Science Limited.		

₹ in Million

Terms of repayment and security - Loan 5	As at March 31, 2024	As at March 31, 2023
Non-current borrowings	25.21	52.71
Current maturities of non-current borrowings	27.50	27.50
Security: The said loan was secured by first pari passu charge of movable and immoveable assets of the Company Rate of interest: I-MCLR-1Y (marginal cost of fund based lending rate) plus Spread 1%. Spread will be reset by Bank at the end of every year Repayment to be made over 48 equal monthly instalments. The outstanding term as at March 31, 2024 are 23 instalments. (March 31, 2023: 35 installments). The loan is supported by National Credit Guarantee Trustee Company		

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note No. 12 Non-current borrowings (Contd..)

₹ in Million

Terms of repayment and security - Loan 6	As at March 31, 2024	As at March 31, 2023
Non-current borrowings	-	409.52
Current maturities of non-current borrowings	409.50	270.91
<p>Security: The said loan was secured by first pari passu charge of movable and immoveable assets of the Company Rate of interest: 8.75% and the interest will be reset by the lender on annual basis Repayment to be made over 16 equal quarterly instalments. The outstanding term as at March 31, 2024 are 6 instalments. (March 31, 2023: 10 instalments) The loan is supported by corporate guarantee of Strides Pharma Science Limited.</p>		

₹ in Million

Terms of repayment and security - Loan 7	As at March 31, 2024	As at March 31, 2023
Non-current borrowings	-	546.84
Current maturities of non-current borrowings	-	1,374.78
<p>Security: The said loan was secured by first pari passu charge of movable and immoveable assets of the Company Rate of interest: 7.50% and 0.55% above 6 M MCLR Repayment to be made over 24 equal monthly instalments</p> <p>The Company has prepaid the outstanding balance during the year. (March 31, 2023: 17 instalments) The loan is supported by corporate guarantee of Strides Pharma Science Limited.</p>		

₹ in Million

Terms of repayment and security - Loan 8	As at March 31, 2024	As at March 31, 2023
Non-current borrowings	-	185.79
Current maturities of non-current borrowings	-	63.70
<p>Security: The said loan was secured by first pari passu charge of movable and immoveable assets of the Company and pledge of 30% shares in the Company held by Strides Pharma Science Limited. Rate of interest: Long term minimum lending rate plus 30 basis points per annum subject to a cap of 9.25%. Repayment to be made over 48 equal monthly instalments. The Company has prepaid the outstanding balance during the year. (March 31, 2023: 47 instalments)</p>		

₹ in Million

Terms of repayment and security - Loan 9	As at March 31, 2024	As at March 31, 2023
Non-current borrowings	95.83	145.83
Current maturities of non-current borrowings	50.00	50.00
<p>Security: The said loan was secured by first pari passu charge of movable and immoveable assets of the Company Rate of interest: 7.25% and Spread 1% and the interest rate and spread will be reset by Bank at the end of every year Repayment to be made over 48 equal monthly instalments. The outstanding term as at March 31, 2024 are 35 instalments. (March 31, 2023: 47 instalments)</p>		

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note No. 12 Non-current borrowings (Contd..)

₹ in Million

Terms of repayment and security - Non-convertible debentures (NCD) 1	As at March 31, 2024	As at March 31, 2023
Non-current borrowings	500.00	500.00
Current maturities of non-current borrowings	-	-
Security: Debentures are unsecured in nature and are backed by the personal guarantee of Mr. Arun Kumar Pillai. Rate of interest: 2.5% p.a with a maturity premium payable at the time of redemption such that IRR to the lender is 7% p.a inclusive of coupon payments made. Repayment on 40 <sup>th</sup> month from the date of allotment (i.e. July 03, 2023)		

₹ in Million

Terms of repayment and security - Non-convertible debentures (NCD) 2	As at March 31, 2024	As at March 31, 2023
Non-current borrowings	67.50	-
Current maturities of non-current borrowings	-	-
Security: Debentures are unsecured in nature. The debentures are backed by the personal guarantee of Mr. Arun Kumar Pillai. Rate of interest: 4 % p.a with a maturity premium payable at the time of redemption such that IRR to the lender is 13% p.a inclusive of coupon payments made. Repayment on 36 <sup>th</sup> month from the date of allotment (i.e November 29, 2023)		

₹ in Million

Terms of repayment and security - Non-convertible debentures (NCD) 3	As at March 31, 2024	As at March 31, 2023
Non-current borrowings	83.00	-
Current maturities of non-current borrowings	-	-
Security: Debentures are unsecured in nature. The debentures are backed by the personal guarantee of Mr. Arun Kumar Pillai. Rate of interest: 4 % p.a with a maturity premium payable at the time of redemption such that IRR to the lender is 13% p.a inclusive of coupon payments made. Repayment on 36 <sup>th</sup> month from the date of allotment (i.e. December 01, 2023)		

₹ in Million

Terms of repayment and security - Non-convertible debentures (NCD) 4	As at March 31, 2024	As at March 31, 2023
Non-current borrowings	-	-
Current maturities of non-current borrowings	250.00	-
Security: Debentures are unsecured in nature. The debentures are backed by the personal guarantee of Mr. Arun Kumar Pillai and corporate guarantee of Strides Pharma Science limited Rate of interest: 17% p.a with a maturity premium payable at the last date of twelve months commencing from date of allotment of the NCDs Repayment on 12 <sup>th</sup> month from the date of allotment (i.e. July 11, 2023)		

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note No. 12 Non-current borrowings (Contd..)

₹ in Million

Terms of repayment and security - Non-convertible debentures (NCD) 5	As at March 31, 2024	As at March 31, 2023
Non-current borrowings	-	-
Current maturities of non-current borrowings	250.00	-
Security: Debentures are unsecured in nature. The debentures are backed by the personal guarantee of Mr. Arun Kumar Pillai & Corporate guarantee of Strides Pharma Science Limited Rate of interest: 17% p.a with a maturity premium payable at the last date of twelve months commencing from date of allotment of the NCDs Repayment on 12 <sup>th</sup> month from the date of allotment (i.e. July 13, 2023)		

₹ in Million

Terms of repayment and security - Non-convertible debentures (NCD) 6	As at March 31, 2024	As at March 31, 2023
Non-current borrowings	-	-
Current maturities of non-current borrowings	250.00	-
Security: Debentures are unsecured in nature. The debentures are backed by the personal guarantee of Mr. Arun Kumar Pillai & Corporate guarantee of Strides Pharma Science Limited Rate of interest: 17% per annum payable at the last date of twelve months commencing from date of allotment of the NCDs Repayment on 12 <sup>th</sup> month from the date of allotment (i.e. July 13, 2023)		

₹ in Million

Terms of repayment and security - Non-convertible debentures (NCD) 7	As at March 31, 2024	As at March 31, 2023
Non-current borrowings	-	-
Current maturities of non-current borrowings	500.00	-
Security: Debentures are unsecured in nature. The debentures are backed by the personal guarantee of Mr. Arun Kumar Pillai & Corporate guarantee of Strides Pharma Science Limited Rate of interest: 18% p.a, Interest payable last day of each quarterly period Repayment on 12 <sup>th</sup> month from the date of allotment (i.e. May 31, 2023)		

₹ in Million

Terms of repayment and security - Non-convertible debentures (NCD) 8	As at March 31, 2024	As at March 31, 2023
Non-current borrowings	1,449.20	-
Current maturities of non-current borrowings	-	-
Security: Debentures are unsecured in nature. The debentures are backed by the personal guarantee of Mr. Arun Kumar Pillai & Corporate guarantee of Strides Pharma Science Limited Rate of interest: 12.50% p.a, Interest payable last day of every month Repayment of 50% of the outstanding amount on 24 <sup>th</sup> month and remaining amount on 32 <sup>nd</sup> month from the date of allotment (i.e. March 1, 2024)		

₹ in Million

Loan from Related Party 1	As at March 31, 2024	As at March 31, 2023
Loan from Related Party	90.00	955.00
Security: The loan from related party is unsecured in nature.		
Rate of interest: 16.75% p.a. Repayment : Repayable within 6 months from the date of first drawn and at any time prior to the full repayment, the Lender may at its sole option and discretion, request the Borrower to convert all of the outstanding Loan Amount into non-convertible debentures ("NCD") and the tenure of the NCD is 6 months from the subscription date.		



## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note No. 12 Non-current borrowings (Contd..)

₹ in Million

Loan from Related Party 2	As at March 31, 2024	As at March 31, 2023
Loan from Related Party	495.18	-
Security: The loan from related party is unsecured in nature. Rate of interest: 15.40% p.a. Repayment : Repayable in full and shall be repaid on or before completion of 5 years from the date of first draw down (i.e. June 28, 2023) on such other date as may be mutually agreed by the parties.		

₹ in Million

Working capital Loan	As at March 31, 2024	As at March 31, 2023
Working capital loan - repaid in full during the year.	-	983.96
<b>Total Borrowings</b>	<b>5,616.30</b>	<b>8,366.91</b>

### Note -1

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
Disclosed under non-current borrowings		
- Term loan from Banks	121.04	2,848.75
- Non-convertible debentures	2,099.70	500.00
- Loan form related parties	495.18	-
Disclosed under current borrowings		
- Current maturities of non-current borrowings	1,560.38	3,079.20
- Non convertible debentures	1,250.00	-
- Working capital loan	-	983.96
- Loan form related parties	90.00	955.00
<b>Total</b>	<b>5,616.30</b>	<b>8,366.91</b>

The Company has requested temporary relaxations for compliance with the financial covenants from the lenders for the years ended March 31, 2024 as these have not been met related to the above mentioned Loan 2, Loan 3 and Loan 6. Pending approval from lenders, the Company has classified the entire outstanding amount as current borrowings as loan agreement provides for call back if financial covenants are breached.

### Note 12A:

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

₹ in Million

Particulars	As at April 01, 2023	Cash changes	Non-cash changes	As at March 31, 2024
Current and Non-current borrowings	8,366.91	(2,750.75)	0.14	5,616.30
Interest accrued	88.16	(1,025.83)	1,137.70	200.03
Lease liabilities	275.29	(65.63)	(119.57)	90.09
<b>Total</b>	<b>8,730.36</b>	<b>(3,842.21)</b>	<b>1,018.27</b>	<b>5,906.42</b>

₹ in Million

Particulars	As at April 01, 2022	Cash changes	Non-cash changes	As at March 31, 2023
Current and Non-current borrowings	11,542.71	(3,326.39)	150.59	8,366.91
Interest accrued	32.20	(1,052.91)	1,108.87	88.16
Lease liabilities	272.20	(85.10)	88.19	275.29
<b>Total</b>	<b>11,847.11</b>	<b>(4,464.40)</b>	<b>1,347.65</b>	<b>8,730.36</b>

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note No. 13 Lease liabilities

₹ in Million

Particulars	As at March 31, 2024		As at March 31, 2023	
	Current	Non- Current	Current	Non- Current
Lease liabilities (refer note 30)	6.87	83.22	64.14	211.15
<b>Total</b>	<b>6.87</b>	<b>83.22</b>	<b>64.14</b>	<b>211.15</b>

### Note No. 14 Provisions

₹ in Million

Particulars	As at March 31, 2024		As at March 31, 2023	
	Current	Non- Current	Current	Non- Current
<b>Provision for employee benefits:</b>				
- Gratuity (refer note 29)	4.44	23.96	2.61	21.50
- Compensated absences	38.54	-	33.22	-
<b>Total</b>	<b>42.98</b>	<b>23.96</b>	<b>35.83</b>	<b>21.50</b>

### Note No. 15 Current Borrowings

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
	Current	Current
<b>Term loan from Banks :</b>		
- Current maturities of non-current borrowings (refer note 12)	1,560.38	3,079.20
- Working capital loans	-	983.96
- Non convertible debentures	1,250.00	-
<b>Term loan from Others :</b>		
- Loans from related parties (Refer Note 32)	90.00	955.00
<b>Total</b>	<b>2,900.38</b>	<b>5,018.16</b>

### Note No. 16 Trade payables

₹ in Million

Particulars	As at March 31, 2024		As at March 31, 2023	
	Current	Non- Current	Current	Non- Current
- Total outstanding dues of micro and small enterprises	144.46	-	170.99	-
- Total outstanding dues of creditors other than micro and small enterprises	664.93	-	777.03	-
<b>Total</b>	<b>809.39</b>	<b>-</b>	<b>948.02</b>	<b>-</b>

₹ in Million

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				As at March 31, 2024
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
			(i) MSME	-	7.29	101.54	
(ii) Others	127.71	61.52	186.34	96.86	132.22	60.28	664.93
	<b>127.71</b>	<b>68.81</b>	<b>287.88</b>	<b>122.90</b>	<b>141.81</b>	<b>60.28</b>	<b>809.39</b>

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note No. 16 Trade payables (Contd..)

₹ in Million

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				As at March 31, 2023
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	8.57	143.30	19.12	-	-	170.99
(ii) Others	181.55	56.02	469.81	68.95	0.07	0.63	777.03
	<b>181.55</b>	<b>64.59</b>	<b>613.11</b>	<b>88.07</b>	<b>0.07</b>	<b>0.63</b>	<b>948.02</b>

### Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Principal amount remaining unpaid to any suppliers as at the end of the accounting year*	274.98	420.99
(ii) Interest due thereon remaining unpaid to any suppliers as at the end of the accounting year	12.53	42.02
(iii) The amount of interest paid along with the amounts of the payment made to the suppliers beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	23.12	13.47
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	95.74	60.09
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act	-	-

\*Principal amount remaining unpaid to suppliers include ₹ 130.52 million (as at March 31, 2023 : ₹ 250 million) towards capital creditors

### Note No. 17 Other financial liabilities

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
	Current	Current
- Interest accrued but not due on borrowings	104.29	28.07
- Interest accrued on delayed payments to MSME vendors	95.74	60.09
- Creditors for capital supplies/services*	631.72	1,677.15
- Deposits from Customers	187.64	-
- Payable to related parties (refer note 32)	534.50	185.15
<b>Total</b>	<b>1,553.89</b>	<b>1,950.46</b>

\*Creditors for capital supplies/services include ₹ 130.52 million (as at March 31, 2023 : ₹ 250 million) payable towards to MSME vendors

### Note No. 18 Other liabilities

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
	Current	Current
- Advance from customers	864.60	541.76
- Statutory dues	47.57	17.95
- Grant from Biotechnology Industry Research Assistance Council	59.55	59.55
<b>Total</b>	<b>971.72</b>	<b>619.26</b>

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note No. 19 Revenue from operations

₹ in Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Sale of services - contract manufacturing and development fees	1,719.19	387.14
<b>Total</b>	<b>1,719.19</b>	<b>387.14</b>

#### 19.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

##### Revenues by Geography

₹ in Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
India	1,183.16	266.11
Rest of the world	536.03	121.03
<b>Total revenues by Geography</b>	<b>1,719.19</b>	<b>387.14</b>

Geographical revenue is allocated based on the location of the customers

#### 19.2 Contract balances

₹ in Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Trade receivables*	554.05	37.37
Contract liabilities**	864.60	541.76

\* Trade receivables are non-interest bearing.

\*\* Contract liabilities are shown as advance from customers (refer note 18)

#### 19.3 Set out below is the amount of revenue recognised from:

₹ in Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Amount included in contract liabilities at the beginning of the year	178.43	46.40

### Note No. 20 Other income

₹ in Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest income on financial assets at amortised cost	17.65	12.60
Interest Income on Tax Refund	-	2.07
Unwinding of discount on security deposit	1.52	1.12
Scrap sales	15.51	0.89
Profit on sale of investments	7.57	1.15
Gain on sale of property, plant and equipment	-	9.03
Interest income on loan to subsidiaries	-	0.12
Sundry Creditors written off	-	0.06
<b>Total</b>	<b>42.25</b>	<b>27.04</b>

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note No. 21 Consumables

₹ in Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening stock	1,331.57	1,579.08
Add: Purchases	598.90	511.66
Less: Closing stock	112.31	1,331.57
<b>Total</b>	<b>1,818.16</b>	<b>759.17</b>
Less: Disclosed under discontinued operations	-	(543.66)
Less: Inventories written-off/provision disclosed as exceptional items (refer note 26)	(1,113.07)	-
<b>Cost of materials consumed</b>	<b>705.09</b>	<b>215.51</b>

### Note No. 22 Employee benefit expenses

₹ in Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries and wages	686.79	740.99
Less : Amount included in the cost of qualifying assets	(5.17)	(176.82)
	<b>681.62</b>	<b>564.17</b>
Contributions to provident and other funds	44.23	33.60
Staff welfare expenses	48.20	70.65
Share based payment expenses (refer note 38)	19.56	59.59
<b>Total</b>	<b>793.61</b>	<b>728.01</b>

### Note No. 23 Finance costs

₹ in Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest on borrowings (including exchange differences regarded as an adjustment to borrowing costs)	643.13	398.29
Less : Amount included in the cost of qualifying assets	(6.60)	(30.35)
	<b>636.53</b>	<b>367.94</b>
Interest expense on loan from related party	172.64	2.91
Interest on lease liability	8.93	6.45
Other borrowing cost - guarantee commission, bank charges etc	40.41	74.39
Interest on delayed payment to MSME vendors	35.65	23.76
<b>Total</b>	<b>894.16</b>	<b>475.45</b>

### Note No. 24 Depreciation and amortisation expenses

₹ in Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation on Property, plant and equipment (Refer Note 4A)	771.28	1,025.22
Depreciation on Right to use assets (Refer Note 4B)	41.83	73.98
Amortisation on Intangible assets (Refer Note 4D)	140.67	41.81
<b>Amount charged to Statement of profit and loss</b>	<b>953.78</b>	<b>1,141.01</b>
under continuing operations	762.93	656.80
under discontinued operations	190.85	484.21

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note No. 25 Other Expenses

₹ in Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Power & Fuel	201.30	200.85
Rates and taxes	90.78	8.78
Rent	26.85	10.84
Insurance	44.88	52.22
Repairs and maintenance:		
- Machinery	50.47	37.36
- Others	96.47	94.96
Manpower service	26.02	35.57
Housekeeping service	42.86	48.39
Freight and forwarding	3.98	82.89
Business promotion	5.04	10.44
Travelling and conveyance	9.09	11.52
Exchange fluctuation loss (net)	5.61	91.63
Printing and stationery	6.38	6.52
Communication	8.30	7.84
Security Charges	10.63	10.99
Office expense	1.02	2.09
Write-off of Property, Plant and Equipment	-	7.11
Loss on sale of asset	58.08	-
Boarding and lodging	2.38	8.73
Support service charges	229.63	127.94
Legal and professional fees	152.03	168.18
Auditors remuneration (refer note (i) below)	12.36	4.03
Regulatory charges	2.55	3.24
Gardening Charges	-	0.11
Water Charges	2.94	4.61
Gas Charges	1.30	-
Advance written off	0.73	5.26
Miscellaneous expenses	3.97	7.72
<b>Total</b>	<b>1,095.65</b>	<b>1,049.82</b>

#### Note:

(i) Auditor's remuneration comprises (net of taxes) for:

₹ in Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Audit of standalone and consolidated financial statements (including quarterly limited reviews)	3.75	3.75
Audit / review of special purpose financial information	4.75	-
Other certification services	3.50	0.12
Reimbursement of expenses	0.36	0.16
<b>Total</b>	<b>12.36</b>	<b>4.03</b>

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note No. 26 Exceptional items gain / (loss) (net)

₹ in Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Provision related to Inventories (including GST inputs credits thereon) (refer note (i) below)	1,159.42	-
Write-off related to Inventories and other related balances of Akston Project (refer note (ii) below)	-	491.05
Intangibles under development written-off (refer note (iii) below)	-	431.99
Provision for impairment towards investment in Biolexis Private Limited (refer note 5)	381.82	-
Provision/ (reversal of provision) for bad & doubtful debts in Biolexis Pte Ltd (refer note (iv) below)	(45.23)	140.78
Provision/ (reversal of provision) for bad & doubtful debts in Biolexis Private Ltd (refer note (iv) below)	45.15	-
Provision / (reversal of provision) towards investment in Biolexis Pte Ltd (refer note 5)	(381.82)	520.31
<b>Total</b>	<b>1,159.34</b>	<b>1,584.13</b>

#### Note (i) :

The Company and the Russian Direct Investment Fund (RDIF, Russia's sovereign wealth fund) had entered into a manufacturing and supply agreement to produce Russian Sputnik Vaccines during FY 2020-21. The agreement between RDIF and the Company was reached under the aegis of Enso Healthcare LLP, RDIF's coordination partner for sourcing Sputnik vaccines in India. The above tactical opportunity with Sputnik Light's take or pay contract with RDIF did not fructify due to geopolitical conflicts between Russia and Ukraine and subsequent sanctions on Russia.

During the current year, the Company has accounted for provision towards inventories (including GST inputs credit of ₹ 46.14 million on such inventories) of ₹ 1,159.21 million in the absence of any immediate alternate usage for these inventories.

#### Note (ii):

The Company and Akston Biosciences Corporation entered into the License and Manufacturing Agreement dated October 20, 2021 to develop AKS-452 vaccine. During the previous year, the Company and Akston Bioscience Corporation entered into termination agreement whereby all the licenses granted to the Company are revoked and the Company does not have the right or obligation to commercialize the licensed product. Pursuant to such termination, the Company debited exceptional items of ₹ 491.05 million towards following:

- Write off of Intangibles under development relating to Akston amounting to ₹200.59 million
- Write off Akston inventories amounting to ₹ 146.48 million and
- Allowance for doubtful advances given to Akston Bioscience Corporation ₹ 143.98 million.

#### Note (iii):

Pursuant to impairment assessment, intangibles under development was written off amounting to ₹ 431.99 million towards various products as exceptional items for the year ended 31 March 2023.

#### Note (iv):

During the previous year, the Management had made a provision for expected credit loss towards receivables from subsidiary amounting to ₹140.78 million. During the current year, the Company reversed the provision towards collection of ₹ 45.23 mio (refer note 9A).

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

**Note No. 27** The Company's Contract Development and Manufacturing (CDMO) unit is set up as Export Oriented Unit (EOU) under Foreign Trade Policy 2015-20. Pursuant to this, the CDMO unit is required to be positive cumulative net foreign exchange earner within a period of five years from the commencement of production (i.e., within September 03, 2024). The management of the Company is confident of achieving the positive cumulative net foreign exchange position within the prescribed timelines.

### Note No. 28 Contingent Liabilities and Capital Commitments (To the extent not provided for)

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances):		
- Property, Plant and equipment	186.63	490.06
<b>Total</b>	<b>186.63</b>	<b>490.06</b>

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
Claims not acknowledged as debts by the Company	-	233.14
<b>Total</b>	<b>-</b>	<b>233.14</b>

- (a) During the previous year, the Company had received claim from vendor amounting to ₹ 227.62 million towards pending take off of Sputnik related inventories by the Company. During the current year, pursuant to the settlement agreement date March 11, 2024, the parties have agreed for ₹ 110 million and the same is paid by the Company.
- (b) During the previous year, the Company had received claim from vendor amounting to ₹ 30.75 million towards pending payments against the purchase of materials from the vendor. The Company had accepted the claim to extent of ₹25.23 million and the remaining amount of ₹ 5.52 million was not acknowledged as debt by the company. During the year, the said vendor has agreed the claim amount for ₹ 25.23 million and the same is paid by the Company.

### Note No. 29 Employee Benefits Plans

#### Defined contribution plan

The Company makes contributions to provident fund and employee state insurance schemes which are defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll cost to fund the benefits. During the current year, the Company recognised ₹ 36.49 million (previous year: ₹ 30.56 Million) (including discontinued operations) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

#### Defined benefit plan

The Company operates a gratuity plan, a defined employee benefit scheme covering qualifying employees. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

The said benefit plan is exposed to actuarial risks such as longevity risk and salary risk.

Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.



## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note No. 29 Employee Benefits Plans (Contd..)

The principal assumptions used for the purposes of the actuarial valuations were as follows:

₹ in Million

Particulars	Valuation as at	
	March 31, 2024	March 31, 2023
Discount rate(s)	7.17%	7.30%
Expected rate(s) of salary increase	10.00%	10.00%
Mortality Rate	As per IALM (2012-14) ultimate	As per IALM (2012-14) ultimate
Retirement age (years)	58 years	58 years

Amounts recognised in Statement of Profit and loss and in other comprehensive income in respect of this defined benefit plans are as follows:

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Service cost:</b>		
Current service cost	7.53	8.83
Net interest expense	1.66	1.41
<b>Components of defined benefit costs recognised in statement of profit and loss</b>	<b>9.19</b>	<b>10.24</b>
<b>Remeasurement on the net defined benefit liability:</b>		
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	0.20	(1.12)
Actuarial (gains) / losses arising from experience adjustments	5.05	(3.63)
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>5.25</b>	<b>(4.75)</b>
<b>Total</b>	<b>14.44</b>	<b>5.49</b>

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss. The remeasurement of the net defined benefit liability is included in other comprehensive income.

The above amounts are of including the discontinued operations.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of funded defined benefit obligation	33.40	24.11
Fair value of plan assets	(5.00)	-
<b>Funded status</b>	<b>28.40</b>	<b>24.11</b>
Restrictions on asset recognised	-	-
<b>Net liability arising from defined benefit obligation</b>	<b>28.40</b>	<b>24.11</b>
Current liability	4.44	2.61
Non-current liability	23.96	21.50

Movements in the fair value of plan assets:

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
Opening fair value of plan assets	-	-
<b>Remeasurement (gains)/losses</b>		
Remeasurement return on plan assets (excluding amounts included in net interest expense)	-	-
Contribution from employer	5.00	-
Actuarial (gains) / losses on plan assets	-	-
Benefits paid	-	-
<b>Closing fair value of plan assets</b>	<b>5.00</b>	<b>-</b>

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note No. 29 Employee Benefits Plans (Contd..)

Movements in the present value of the defined benefit obligation are as follows:

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
Opening defined benefit obligation	24.11	22.95
<b>Expenses Recognised in statement of profit and loss</b>		
Current service cost	7.53	8.83
Interest cost	1.66	1.41
Acquisition / Divestiture	(1.13)	-
<b>Remeasurement (gains)/losses</b>		
Actuarial (gains) / losses arising from changes in financial assumptions	0.20	(1.11)
Actuarial (gains) / losses arising from experience adjustments	5.05	(3.63)
Benefits paid	(4.02)	(4.33)
<b>Closing defined benefit obligation</b>	<b>33.40</b>	<b>24.11</b>

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

₹ in Million

Particulars	Changes in assumption	Gratuity	
		Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate	Year ended March 31, 2024	(1.49)	1.62
	Year ended March 2023	(1.15)	1.27
Salary growth rate	Year ended March 31, 2024	1.35	(1.31)
	Year ended March 2023	1.14	(1.07)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

There has been no change in the process used by the Company to manage its risks from prior periods.

Expected future Cash outflows towards the plan are as follows-

₹ in Million

Financial Year	Amount
Year 1	4.44
Year 2	4.44
Year 3	5.91
Year 4	4.68
Year 5	4.25
Years 6 to 10	15.55

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 March 31, 2024, the Company has incurred an expense on compensated absences amounting to 18.10 million (March 31, 2023 : ₹ 18.45 million). The Company determines the expense for compensated absences basis the actuarial valuation of the present value of the obligation, using the Projected Unit Credit Method.

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note No. 30 Leases

Company as a lessee : The Company has entered into lease arrangements for land and office buildings. Refer Note 2.6 for the accounting policies adopted by Company respectively in respect of Ind AS 116.

#### Movement in lease liabilities during the period/year:

##### Lease liabilities

₹ in Million

Particulars	March 31, 2024	March 31, 2023
Opening balance	275.29	272.20
Additions	32.26	60.97
Interest	19.99	27.22
Derecognised on disposal of business	(171.82)	-
Lease payments	(65.63)	(85.10)
<b>Closing balance</b>	<b>90.09</b>	<b>275.29</b>
Current	6.87	64.14
Non-current	83.22	211.15

₹ in Million

Maturity analysis of lease liabilities	March 31, 2024			March 31, 2023		
	1 year	1 to 5 years	More than 5 years	1 year	1 to 5 years	More than 5 years
Land	7.26	26.84	-	-	-	-
Factory Building	6.62	30.68	49.92	85.82	212.20	58.27

#### 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).

### Note No. 31 Loss per Share

₹ in Million

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit / (Loss) for continuing operations after tax attributable to equity holders of the Company (A) (₹ in Million)	(3,649.34)	(4,295.54)
Weighted average number of equity shares used as denominator in calculating basic loss per share (B)	4,15,46,510	3,98,18,561
Weighted average number of equity shares used as denominator in calculating diluted loss per share (C)	4,15,46,510	3,98,18,561
Basic loss per share (₹) (A/B)	(87.84)	(107.88)
Diluted loss per share (₹) (A/C)	(87.84)	(107.88)
Profit / (Loss) for discontinued operations after tax attributable to equity holders of the Company (A) (₹ in Million)	(254.68)	(3,695.58)
Weighted average number of equity shares used as denominator in calculating basic loss per share (B)	4,15,46,510	3,98,18,561
Weighted average number of equity shares used as denominator in calculating diluted loss per share (C)	4,15,46,510	3,98,18,561
Basic loss per share (₹) (A/B)	(6.13)	(92.81)
Diluted loss per share (₹) (A/C)	(6.13)	(92.81)
Profit / (Loss) after tax attributable to equity holders of the Company (A) (₹ in Million)	(3,904.02)	(7,991.12)
Weighted average number of equity shares used as denominator in calculating basic loss per share (B)	4,15,46,510	3,98,18,561
Weighted average number of equity shares used as denominator in calculating diluted loss per share (C)	4,15,46,510	3,98,18,561
Basic loss per share (₹) (A/B)	(93.97)	(200.69)
Diluted loss per share (₹) (A/C)	(93.97)	(200.69)

During the current year and in the previous year, the Company has incurred losses and the diluted loss per share for the current and previous year is anti-dilutive and hence the basic and diluted loss per share are the same.

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note No. 32 Related Party Listing and Balances:

Nature of Relationship	Name of Related Party
Entity exercising significant influence	Strides Pharma Science Limited
	Tenshi Pharmaceuticals Private Limited
	Medella Holdings Pte Ltd
Subsidiary / Step-down subsidiary	Biolexis Pte Ltd (formally known as Stelis Pte Ltd)
	Stelis Pte Limited (w.e.f June 30, 2023)
	Stelis BioPharma UK Private Limited (w.e.f November 30, 2022)
	Biolexis Private Limited
Enterprises owned or significantly influenced by directors, key management personnel and their relatives:	Arcolab Private Limited
	Naari Pharma Private Limited
	Chayadeep Properties Private Limited
	Steriscience Pte Limited
	Solara Active Pharma Sciences Limited
	Strides Pharma Inc
	Strides Pharma Science Pty Limited
	Strides Pharma UK Ltd
	Fairmed Healthcare GmbH
	Strides Pharma (Cyprus) Limited
Key Management Personnel – Chairman and Non - Executive Director	Aditya Puri (upto March 29, 2023)
Key Management Personnel – Managing Director	Neeraj Sharma (w.e.f March 01, 2024)
Key Management Personnel – Non - Executive Director	Arun Kumar Pillai
Key Management Personnel – Chairman & Non - Executive Director	Aditya Puri (upto March 29, 2023)
Key Management Personnel – CFO & Executive Director	Kannan Radhakrishnan Pudhucode
Key Management Personnel – Non - Executive Director	Ankur Nand Thadani (upto August 16, 2023)
Key Management Personnel – Non - Executive Director	Mahadevan Narayanamoni
Key Management Personnel – Non - Executive Director	Bhushan Bopardikar (w.e.f August 14, 2023)
Key Management Personnel – Non - Executive Director	Yogita Hatangadi (w.e.f May 04, 2023 and upto January 16, 2024)
Key Management Personnel – Independent Director	Gopakumar Gopalan Nair (w.e.f May 04, 2023)
Key Management Personnel – Independent Director	Rajashri Ojha (w.e.f May 04, 2023)
Key Management Personnel – Independent Director	A K Viswanathan (upto Mar 29 <sup>th</sup> , 2023)
Key Management Personnel – Independent Director	Vineeta Rai (upto Mar 14 <sup>th</sup> , 2023)
Key Management Personnel – Company Secretary	Puja Aggarwal (Upto March 14, 2023)
Key Management Personnel – Company Secretary	Allada Trisha (w.e.f March 14, 2023)

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

## Note No. 32 Related Party Listing and Balances: (Contd..)

Details of transaction between the Company and its related parties are disclosed below:

₹ in Million

Nature of Balances	Entities having significant influence over Company		Other related parties		Key Managerial Personnel		Subsidiary / Step-down subsidiary	
	Period ended March 31, 2024	Year ended March 31, 2023	Period ended March 31, 2024	Year ended March 31, 2023	Period ended March 31, 2024	Year ended March 31, 2023	Period ended March 31, 2024	Year ended March 31, 2023
<b>Revenue from operations</b>								
<b>Sale of Material</b>								
Strides Pharma Science Limited	-	0.14	-	-	-	-	-	-
<b>Sale of services</b>								
Strides Pharma Science Limited	-	5.46	-	-	-	-	-	-
Steriscience Pte Limited	-	-	93.41	5.85	-	-	-	-
<b>Sale of services - Passthrough</b>								
Steriscience Pte Limited	-	-	42.14	32.54	-	-	-	-
Steriscience Specialties Private Ltd	-	-	0.41	15.81	-	-	-	-
<b>Sale of Asset</b>								
Strides Pharma Science Limited	6.64	-	-	-	-	-	-	-
<b>Guarantee Commission considered as borrowing cost</b>								
Strides Pharma Science Limited	48.78	59.49	-	-	-	-	-	-
Steriscience Specialties Private Ltd	-	-	0.10	-	-	-	-	-
Tenshi Pharmaceuticals Private Limited	0.13	-	-	-	-	-	-	-
<b>Support Service charges</b>								
Strides Pharma Science Limited	56.03	-	-	-	-	-	-	-
Tenshi Pharmaceuticals Private Limited	1.49	8.01	-	-	-	-	-	-
Arcolab Private Ltd	-	-	170.51	130.06	-	-	-	-
Steriscience Specialties Private Ltd	-	-	39.00	-	-	-	-	-
<b>Rental expenses</b>								
Arcolab Private Limited	-	-	-	0.09	-	-	-	-
Chayadeep Properties Private Limited	-	-	6.24	5.89	-	-	-	-
<b>Purchase of Material/Services</b>								
Strides Pharma Science Limited	36.89	-	-	-	-	-	-	-
Steriscience Specialties Private Ltd	-	-	0.83	0.61	-	-	-	-
Solara Active Pharma Sciences Limited	-	-	0.59	0.49	-	-	-	-
<b>Advance given / (repaid)</b>								
Chayadeep Properties Private Limited	-	-	-	103.50	-	-	-	-
Chayadeep Properties Private Limited	-	-	-	(103.50)	-	-	-	-
<b>Advance taken / (repaid)</b>								
Strides Pharma Science Limited	-	-	-	25.00	-	-	-	-
Strides Pharma Science Limited	-	-	-	(25.00)	-	-	-	-
Arcolab Private Limited	-	-	-	95.00	-	-	-	-
Arcolab Private Limited	-	-	-	(95.00)	-	-	-	-
<b>Loans taken/(repaid)</b>								
Arcolab Private Limited	-	-	707.59	36.00	-	-	-	-
Arcolab Private Limited	-	-	(207.59)	(36.00)	-	-	-	-
Tenshi Pharmaceuticals Private Limited	1,832.00	975.00	-	-	-	-	-	-
Tenshi Pharmaceuticals Private Limited	(2,697.00)	(20.00)	-	-	-	-	-	-
<b>Conversion of Loan to Redeemable Preference share</b>								
Biolexis Pte Ltd	-	-	-	-	-	-	-	3.72
Interest expense on loan taken/(repaid)								
Arcolab Private Limited	-	-	59.46	0.42	-	-	-	-
Tenshi Pharmaceuticals Private Limited	113.17	2.49	-	-	-	-	-	-
<b>Equity/Preference shares contribution to the Company (including securities premium)</b>								
Strides Pharma Science Limited	-	-	-	-	-	-	-	-
Tenshi Pharmaceuticals Private Limited	-	236.54	-	-	-	-	-	-
Arcolab Private Limited	-	-	-	970.09	-	-	-	-
Medella Holdings Pte Ltd	-	800.00	-	-	-	-	-	-
Karuna Business Solutions LLP	-	-	-	3,640.96	-	-	-	-

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

## Note No. 32 Related Party Listing and Balances: (Contd..)

₹ in Million

Nature of Balances	Entities having significant influence over Company		Other related parties		Key Managerial Personnel		Subsidiary / Step-down subsidiary	
	Period ended	Year ended	Period ended	Year ended	Period ended	Year ended	Period ended	Year ended
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
<b>Reimbursement of expenses</b>								
Strides Pharma Science Limited	0.23	10.61	-	-	-	-	-	-
Tenshi Pharmaceuticals Private Limited	9.30	6.15	-	-	-	-	-	-
Arcolab Private Ltd	-	-	8.71	4.18	-	-	-	-
Biolexis Pte Ltd	-	-	-	-	-	-	-	0.80
Biolexis Private Limited	-	-	-	-	-	-	1.61	-
Strides Pharma Inc	-	-	21.51	33.21	-	-	-	-
Strides Pharma Science Pty Limited	-	-	-	9.21	-	-	-	-
Strides Pharma Uk Ltd	-	-	1.44	8.27	-	-	-	-
Strides Pharma (Cyprus) Limited	-	-	5.58	4.24	-	-	-	-
Fairmed Healthcare GmbH	-	-	2.10	-	-	-	-	-
Investments In Subsidiaries								
Biolexis Pte. Ltd	-	-	-	-	-	-	45.14	-
Biolexis Private Limited	-	-	-	-	-	-	382.90	-
Provision/ (reversal) for doubtful debts								
Biolexis Pte Limited	-	-	-	-	-	-	-	140.78
<b>Provision/ (reversal) for Impairment - Investments In Subsidiaries</b>								
Biolexis Pte Limited	-	-	-	-	-	-	(381.83)	516.59
Biolexis Private Limited	-	-	-	-	-	-	381.83	-
Security Deposits								
Arcolab Private Limited	-	-	-	0.09	-	-	-	-
Chayadeep Properties Private Limited	-	-	-	4.42	-	-	-	-
<b>Purchase of property, plant and equipment</b>								
Strides Pharma Science Limited	-	0.97	-	-	-	-	-	-
Arcolab Private Limited	-	-	-	0.06	-	-	-	-
<b>Employee cost:</b>								
Kannan Radhakrishnan Pudhucode	-	-	-	-	24.46	22.48	-	-
Neeraj Sharma	-	-	-	-	2.67	-	-	-
Puja Aggarwal	-	-	-	-	-	3.68	-	-
Allada Trisha	-	-	-	-	1.64	1.10	-	-
<b>Sitting fees paid to directors</b>								
Aditya Puri	-	-	-	-	0.20	1.20	-	-
Vineeta Rai	-	-	-	-	0.10	1.60	-	-
Viswanathan AK	-	-	-	-	0.20	1.60	-	-
Rajashri Ojha	-	-	-	-	3.20	-	-	-
Gopakumar Nair	-	-	-	-	3.60	-	-	-

## Closing Balance

₹ in Million

Nature of Balances	Entities having significant influence over Company		Other related parties		Key Managerial Personnel		Subsidiary	
	As at	As at	As at	As at	As at	As at	As at	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
<b>Other Payables</b>								
Strides Pharma Science Limited	143.34	52.20	-	-	-	-	-	-
Tenshi Pharmaceuticals Private Limited	118.18	7.66	-	-	-	-	-	-
Arcolab Private Ltd	-	-	183.78	65.21	-	-	-	-
Naari Pharma Private Limited	-	-	0.00	0.00	-	-	-	-
Chayadeep Properties Private Limited	-	-	0.61	0.53	-	-	-	-
Strides Pharma Inc	-	-	31.16	41.38	-	-	-	-
Steriscience Specialties Private Ltd	-	-	43.99	3.35	-	-	-	-
Strides Pharma Science Pty Limited	-	-	6.22	9.21	-	-	-	-

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

## Note No. 32 Related Party Listing and Balances: (Contd..)

₹ in Million

Nature of Balances	Entities having significant influence over Company		Other related parties		Key Managerial Personnel		Subsidiary	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Strides Pharma Uk Ltd	-	-	-	1.26	-	-	-	-
Strides Pharma (Cyprus) Limited	-	-	4.24	4.24	-	-	-	-
Solara Active Pharma Sciences Limited	-	-	0.84	0.24	-	-	-	-
Fairmed Healthcare GmbH	-	-	2.10	-	-	-	-	-
Biolexis Pte. Ltd.	-	-	-	-	-	-	0.80	-
<b>Investments</b>								
Biolexis Private Limited - Investment amount	-	-	-	-	-	-	383.00	0.10
Provision for investment	-	-	-	-	-	-	(381.82)	-
Biolexis Pte Ltd - Investment amount	-	-	-	-	-	-	-	520.31
Provision for investment	-	-	-	-	-	-	-	(520.31)
<b>Security Deposits</b>								
Arcolab Private Limited	-	-	0.09	0.09	-	-	-	-
Chayadeep Properties Private Limited	-	-	4.42	4.42	-	-	-	-
<b>Loan payable</b>								
Tenshi Pharmaceuticals Private Limited	90.00	955.00	-	-	-	-	-	-
Arcolab Private Limited	-	-	500.00	-	-	-	-	-
<b>Trade receivables</b>								
Biolexis Pte Ltd	-	-	-	-	-	-	97.04	-
Biolexis Private Limited	-	-	-	-	-	-	46.76	-
Strides Pharma Science Limited	6.18	0.17	-	-	-	-	-	-
Steriscience Pte Limited	-	-	113.44	0.17	-	-	-	-
Steriscience Specialties Private Ltd	-	-	-	2.35	-	-	-	-
<b>Advance from customers</b>								
Steriscience Pte Limited	-	-	12.14	-	-	-	-	-

## Note No. 33 Financial instruments

### 33.1 Categories of financial instruments

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Financial assets:</b>		
<b>Measured at amortised cost</b>		
(a) Trade receivables	554.05	37.37
(b) Cash and bank balances	602.54	797.63
(c) Other financial assets at amortised cost	91.11	100.30
<b>Measured at Fair Value</b>		
(a) Investments	157.92	45.00
<b>Financial liabilities:</b>		
<b>Measured at amortised cost</b>		
(a) Long term borrowings	2,715.92	3,348.75
(b) Short term borrowings	2,900.38	5,018.16
(c) Lease Liabilities	90.09	275.29
(d) Trade payables	809.39	948.02
(e) Other financial liabilities	1,553.89	1,950.46

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

## Note No. 33 Financial instruments (Contd..)

### 33.2 Fair value measurements

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

#### Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within 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 assets or liabilities that are not based on observable market data (unobservable inputs).

#### 33.2.1 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The management assessed that the carrying value of financial assets and financial liabilities (except borrowings) approximate the fair value in both of the years presented.

The below table summarises the borrowings which are measured at amortised cost and for which fair values are disclosed, with corresponding carrying values:

₹ in Million

Particulars	As at March 31, 2024		As at March 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial liabilities:</b>				
Borrowings	5,616.30	5,695.23	8,366.91	8,426.95

### 33.3 Financial risk management objectives

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

#### 33.3.1 Foreign currency risk management

The Company is exposed to foreign exchange risk due to:

- debt availed in foreign currency
- exposure arising from transactions relating to purchases, revenues, expenses, etc., to be settled (within and outside the group) in currencies other than the functional currency of the respective entities

The carrying amount of the Company's foreign currency denominated monetary liabilities (payables) and assets (receivables) as at the end of reporting period are as under:

₹ in Million

Amount receivable/(payable)	As at March 31, 2024		As at March 31, 2023	
	In foreign Currency	In INR	In foreign Currency	In INR
USD	(6.73)	(512.34)	(28.01)	(2,302.68)
EUR	(0.18)	(15.74)	(0.80)	(71.87)
GBP	0.01	1.43	(0.12)	(12.17)
SGD	(0.16)	(9.59)	(0.05)	(2.94)
AED	0.00	0.09	0.00	0.04
CHF	(0.01)	(0.96)	(0.02)	(1.58)
RUB	(1.29)	(1.29)	(1.29)	(1.29)

Foreign currencies are in millions



## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note No. 33 Financial instruments (Contd..)

#### 33.3.2 Foreign currency sensitivity analysis

Financial instruments affected by changes in foreign exchange rates include External Commercial Borrowings (ECBs) and payables to vendors. The Company considers US Dollar and the Euro to be principal currencies which require monitoring and risk mitigation. The impact on account of 5% appreciation / depreciation in the exchange rate of the above foreign currencies against INR is given below. The impact of exposure to other currencies is negligible.

₹ in Million

Particulars	Increase / (Decrease) in Profit	
	March 31, 2024	March 31, 2023
Appreciation in the USD	(25.62)	(115.13)
Depreciation in the USD	25.62	115.13
Appreciation in the EUR	(0.79)	(3.59)
Depreciation in the EUR	0.79	3.59

The impact on profit has been arrived at by applying the effects of appreciation / depreciation effects of currency on the net position (Assets in foreign currency - Liabilities in foreign currency) in the respective currencies.

For the purposes of the above table, it is assumed that the carrying value of the financial assets and liabilities as at the end of the respective financial years remains constant thereafter. The exchange rate considered for the sensitivity analysis is the exchange rate prevalent as at March 31, 2024

The sensitivity analysis might not be representative of inherent foreign exchange risk due to the fact that the foreign exposure at the end of the reporting period might not reflect the exposure during the year.

#### 33.3.3 Interest rate risk management

Interest rate risk arises from borrowings. Debt issued at variable rates exposes the company to cash flow risk. The company mitigates its interest rate risk by entering into interest rate Swap contracts. Debt issued at fixed rate exposes the company to fair value risk.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

₹ in Million

Particulars	As at	As at
	March 31, 2024	March 31, 2023
<b>Fixed-rate instruments</b>		
Financial assets		
Balance with banks held as margin money	538.56	748.53
	<b>538.56</b>	<b>748.53</b>
<b>Variable-rate instruments</b>		
Financial liabilities		
Borrowings from banks	5,616.30	8,366.91
	<b>5,616.30</b>	<b>8,366.91</b>

### 33.4 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit Risk to the company primarily arises from trade receivables. Credit risk also arises from cash and cash equivalents, financial instruments and deposits with banks and financial institutions and other financial assets.

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note No. 33 Financial instruments (Contd..)

#### 33.5 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual short term and long term cash flows, and by matching the maturity profiles of financial assets and liabilities.

##### 33.5.1 Liquidity analysis for Non-Derivative Liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Financial Liabilities	Due within (years)						Total	Carrying Amount
	1	1 to 2	2 to 3	3 to 4	4 to 5	beyond 5		
<b>Bank &amp; other borrowings</b>								
- As on March 31, 2024	3,354.18	1,446.24	894.81	-	-	-	5,695.23	5,616.30
- As on March 31, 2023	5,552.26	1,765.36	905.10	204.23	-	-	8,426.95	8,366.91
<b>Interest payable on borrowings</b>								
- As on March 31, 2024	104.29	-	-	-	-	-	104.29	104.29
- As on March 31, 2023	28.07	-	-	-	-	-	28.07	28.07
<b>Lease Liabilities</b>								
- As on March 31, 2024	13.88	14.64	15.44	16.29	11.16	49.92	121.33	90.09
- As on March 31, 2023	85.82	98.80	98.09	7.43	7.88	58.27	356.29	275.29
<b>Trade and other payable</b>								
- As on March 31, 2024	2,258.99	-	-	-	-	-	2,258.99	2,258.99
- As on March 31, 2023	2,870.41	-	-	-	-	-	2,870.41	2,870.41

₹ in Million

#### Note No. 34 Deferred tax asset :

The Company has recognised the arising deferred tax asset on such losses to the extent of the corresponding deferred tax liability arising on the difference between the book balance of property, plant and equipment and other intangible assets and the written down value of such fixed assets under Income Tax and the provision for the employee benefits. With regard to the balance of the deferred tax assets, in the absence of reasonable certainty that future taxable profits would be available for set off of such deferred tax assets, the Company has not recognized any deferred tax asset as at March 31, 2024.

##### (a) Major components of tax expense/(income) :

Particulars	₹ in Million	
	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Current Income Tax :		
Current income tax expense	-	-
(ii) Deferred Tax :		
Tax expense on origination / reversal of temporary differences	-	-
<b>Income tax expense reported in the Statement of Profit and Loss</b>	<b>-</b>	<b>-</b>

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note No. 34 Deferred tax asset : (Contd..)

(b) Deductible temporary differences for which no deferred tax asset is recognised in the Standalone Balance Sheet:

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Deferred Tax assets/(liabilities) arising on account of:</b>		
Unabsorbed brought forward losses and unabsorbed depreciation	5,720.14	5,720.14
Deductible temporary difference	(478.06)	(1,440.53)
<b>Net Deferred tax assets not recognised in the Balance Sheet</b>	<b>5,242.08</b>	<b>4,279.61</b>

### Note No. 35

Based on the “management approach” as defined in Ind AS 108, the Chief Operating Decision Maker (“CODM”) evaluates the Company’s performance based on an analysis of various performance indicators. The accounting principles used in the preparation of these financial results are consistently applied to record revenue and non current assets in individual segments.

The Company’s reportable segment are as follows; “Unit 1 - R&D and Unit 2 : CDMO-1 (Contract Development & Manufacturing Organization) and "Unit-3 : Multimodal Facility and CDMO-2” (divested during the current year refer note 39).

(i) Revenue from operations

₹ in Million

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Unit 1 - R&D and Unit 2 : CDMO-1	1,719.19	387.14
Unit 3 : Multimodal facility and CDMO - 2	35.35	23.60
<b>Total</b>	<b>1,754.54</b>	<b>410.74</b>

(ii) Profit or loss before tax

₹ in Million

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Unit 1 - R&D and Unit 2 : CDMO-1	(3,649.34)	(4,295.54)
Unit 3 : Multimodal facility and CDMO - 2	(254.68)	(3,695.58)
<b>Total</b>	<b>(3,904.02)</b>	<b>(7,991.12)</b>

(iii) Non-current assets\*

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
Unit 1 - R&D and Unit 2 : CDMO-1	10,506.11	10,145.62
Unit 3 : Multimodal facility and CDMO - 2	-	6,812.34
Unallocated Assets	735.26	743.95
<b>Total</b>	<b>11,241.37</b>	<b>17,701.91</b>

\*Non-current assets do not include financial assets under financial instruments

### Geographical Information

(i) Revenue from continuing operations

₹ in Million

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
India	1,183.16	266.11
Outside India	536.03	121.03
<b>Total</b>	<b>1,719.19</b>	<b>387.14</b>

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note No. 35 (Contd..)

#### (ii) Revenue from discontinued operations

₹ in Million

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
India	35.35	23.60
Outside India	-	-
<b>Total</b>	<b>35.35</b>	<b>23.60</b>

#### (iii) Non-current assets\*

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
India	11,241.37	17,701.91
<b>Total</b>	<b>11,241.37</b>	<b>17,701.91</b>

\*Non-current assets do not include financial assets under financial instruments.

**Note No. 36** The Code on Social Security, 2020 (the Code) has been enacted, which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules are published.

### Note No. 37 Other Statutory Information

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property
- The Company does not have any transactions with companies struck off.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company has no transaction not recorded in the books of accounts 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).
- The Company has borrowings from banks on the basis of security of current assets, the quarterly returns or statements of current assets has been filed by the Company with banks are in agreement with the books of accounts.
- The Company has not been declared willful defaulter by any bank or financial Institution or other lender.
- 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:
  - 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 to or on behalf of the Ultimate Beneficiaries

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 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,

The Company has not any such transaction which is not recorded in the books of accounts 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).

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note No. 38 Details of the employee share option plan of the Company:

On May 27, 2021, pursuant to shareholders approval at the extraordinary general meeting held, the Company has declared the ESOPs titled "Stelis ESOP Scheme 2021". Options not exceeding 5% of the paid-up equity capital of the Company on a fully diluted basis are covered under the plan which are convertible into equivalent equal number of equity shares of the Company. The Nomination and remuneration Committee ('NRC') will select and approve eligible Employees to whom Options be granted and to determine number of Options to be granted to an Employee.

Options under this program are granted to employees at an exercise price periodically determined by the NRC. All stock options have a four-year vesting term. The options vest and become fully exercisable at the rate of 10% in the first year, 15% in the second year, 25% in the third year and 50% in the fourth year of the vesting period from the date of grant. These options are exercisable within 30 days from the date of intimation by NRC about the occurrence of the Liquidity Event or such other time period as may be determined by the NRC within which the Optionee should Exercise his right to apply for the issue of Shares against the Vested Option pursuant to the Scheme.

Under the employee stock purchase plan of "Stelis ESOP Scheme 2021", employees may purchase shares of Stelis Biopharma at ₹278 subject to terms and conditions of the scheme. On June 7, 2022, October 21, 2022 & January 20, 2023 the Company granted options under said scheme for eligible personnel. The fair market value of the option has been determined using Black Scholes Option Pricing Model. The Company has amortised the fair value of option after applying an estimated forfeiture rate over the vesting period.

a) The details of fair market value of the options and the exercise price is as given below:

Grant Date	07-Jun-22	21-Oct-22
Number of options (Nos)	4,42,700	1,06,900
Fair market value of option at grant date (₹)	372.84	372.70
Fair market value of shares per option at grant date (₹)	555.00	555.00
Vesting period	4 years from the grant date	4 years from the grant date
Exercise price (₹)	278.00	278.00

Grant Date	20-Jan-23
Number of options (Nos)	65,300
Fair market value of option at grant date (₹)	367.30
Fair market value of shares per option at grant date (₹)	555.00
Vesting period	4 years from the grant date
Exercise price (₹)	278.00

b) Employee stock options details as on the Balance Sheet date are as follows:

(Options in numbers)

Grant Date	As at 31 March, 2024	As at 31 March, 2023
Outstanding at the beginning of the year	4,99,800	-
Granted during the year	-	6,14,900
Lapsed/forfeited during the year	(2,02,300)	(1,15,100)
Vested during the year	-	-
Exercised during the year	-	-
<b>Outstanding at end of the year</b>	<b>2,97,500</b>	<b>4,99,800</b>
Exercisable at the end of the year	-	-

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note No. 38 Details of the employee share option plan of the Company: (Contd..)

- c) The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Grant Date	07-Jun-22	21-Oct-22
Number of options	4,42,700	1,06,900
Risk Free Interest Rate	7.08%	7.28%
Exercise period (years)	4.00	4.00
Expected Volatility	49.81%	45.93%
Expected Dividend Yield	0.00%	0.00%

Grant Date	20-Jan-23
Number of options	65,300
Risk Free Interest Rate	7.11%
Exercise period (years)	4.00
Expected Volatility	45.84%
Expected Dividend Yield	0.00%

The Company recognised ₹ 19.56 million (previous year: ₹ 59.59 million) towards share based payment expenses in the Statement of Profit and Loss.

Volatility is arrived through annualised standard deviation (market capitalisation weighted) of the daily returns of the equity shares of the specified benchmark companies on the Bombay Stock Exchange with the term equivalent to the expected term of the options.

### Note No. 39 Discontinued Operations

During the current year, for strategic business reasons, the Company entered into a Business Transfer Agreement dated September 01, 2023 (Amendment to Business Transfer Agreement dated December 01, 2023 and December 21, 2023) with Syngene International Limited for sale of its unit 3- Multimodal facility on a slump sale basis for a consideration of ₹ 6,161.41 million. The transaction recommended by Board of Directors is approved by shareholders in the Extra-Ordinary General Meeting held on July 04, 2023.

The transaction is completed during the current year.

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue	35.35	23.60
Other Income	16.67	19.74
<b>Total revenue from discontinued operations (I)</b>	<b>52.02</b>	<b>43.34</b>
Depreciation and amortisation expense	190.85	484.21
Other expenses charged-off to the Statement of Profit and Loss	555.95	1,387.34
Exceptional items gain / (loss) (net)	161.52	1,867.37
<b>Total expenses from discontinued operations (II)</b>	<b>908.32</b>	<b>3,738.92</b>
<b>Loss from discontinued operation (III = I - II)</b>	<b>(856.30)</b>	<b>(3,695.58)</b>
<b>Gain / (loss) on disposal of:</b>		
- Unit 3 Multimodal Facility	601.62	-
<b>Net gain / (loss) on disposal of businesses (IV)</b>	<b>601.62</b>	<b>-</b>
<b>Loss from discontinued operations before tax (V = III + IV)</b>	<b>(254.68)</b>	<b>(3,695.58)</b>
Attributable income tax expense (VI)	-	-
<b>Loss from discontinued operations after tax (V - VI)</b>	<b>(254.68)</b>	<b>(3,695.58)</b>

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note No. 39 Discontinued Operations (Contd..)

#### Gain on disposal

Particulars	Amount
Consideration received (net of provision of ₹ 50 million)*	6,111.41
Net assets disposed off	5,509.79
<b>Gain on disposal</b>	<b>601.62</b>

\* Purchaser has retained ₹ 100 million which shall be paid post completion of certain closing conditions and the Management has accounted for provision of ₹ 50 million which is Management's best estimate of the recoverability of the pending amount.

### Note No. 40 Ratio Analysis

	As at 31 March, 2024	As at 31 March, 2023	Change	Ratios have a variance of >25% due to
<b>Current Ratio - in times (A) / (B)</b>	<b>0.28</b>	<b>0.26</b>	<b>6%</b>	Variance <25% and hence not applicable
Current Assets (A)	1,764.19	2,282.10		
Current Liabilities (B)	6,285.23	8,635.87		
Current Assets is defined as Inventories, Trade receivables, Cash and cash equivalents, Other bank balances, Current loans, Other current financial assets and Other current assets				
Current Liabilities is defined as Current borrowings, Current lease liabilities, Trade payables, Other current financial liabilities, Current provisions, Current tax liabilities and Other current liabilities				
<b>Debt-Equity Ratio - in times (C) / (D)</b>	<b>1.43</b>	<b>1.10</b>	<b>31%</b>	The Company is in losses and hence the ratio has increased.
Debt including lease liabilities (C)	5,706.39	8,642.20		
Equity (D)	3,977.43	7,867.14		
Debt is defined as non-current borrowings, current borrowings and lease liability (current and non-current).				
Equity is defined as Equity share capital and Other equity.				
<b>Debt Service Coverage Ratio - in times (E) / ((F) + (G))</b>	<b>NA</b>	<b>NA</b>		The Company is in losses and hence the debt service coverage ratio is not applicable
Earnings before interest, taxes, depreciation and amortisation is defined as: Profit for the period/period/year before exceptional items and taxes (add) Depreciation and Amortisation (add) Finance costs (less) interest income				
Debt repayment is defined as actual borrowings repaid and lease payments during the period/period/year				
Interest payments is defined as actual interest paid on borrowings and lease liability during the period/year				
<b>Return on Equity ratio (H) / (I)</b>	<b>-91.75%</b>	<b>-101.58%</b>	<b>-10%</b>	Variance <25% and hence not applicable
Net profit (H)	(3,649.34)	(7,991.12)		
Equity (I)	3,977.43	7,867.14		
Net profit is defined as Profit for the period/year after tax				
Equity is defined as Equity share capital and Other equity.				

## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

### Note No. 40 Ratio Analysis (Contd..)

	As at 31 March, 2024	As at 31 March, 2023	Change	Ratios have a variance of >25% due to
<b>Inventory turnover ratio (K) / (L)</b>	<b>0.98</b>	<b>0.11</b>	<b>797%</b>	Increase is due to increase in consumption on account of increase in revenues and decrease in the inventory balances due to write-off.
Cost of goods sold (K)	705.09	215.51		
Average Inventory (L)	721.94	1,978.51		
Cost of goods sold is defined as Consumables during the year				
Average Inventory is defined as average of inventories as at the beginning and as at the end of the period/year.				
<b>Trade receivables turnover ratio (M) / (N)</b>	<b>5.81</b>	<b>1.92</b>	<b>203%</b>	Increase is due to increase in revenues during the current period.
Revenue from operations (M)	1,719.19	387.14		
Average Trade receivables (N)	295.71	201.69		
Sales Turnover is defined as Sale of products and Sale of services				
Average Trade receivables is defined as average of Trade receivables as at the beginning and as at the end of the period/year.				
<b>Trade payables turnover ratio (O) / (P)</b>	<b>0.80</b>	<b>0.27</b>	<b>192%</b>	Increase is due to the increase in the consumption during the current period.
Cost of goods sold (O)	705.09	215.51		
Average Trade payables (P)	878.71	785.27		
Cost of goods sold is defined as Consumables during the year				
Average Trade payables is defined as average of Trade payables as at the beginning and as at the end of the period/year.				
<b>Net capital turnover ratio (Q) / (R)</b>	<b>(0.38)</b>	<b>(0.06)</b>	<b>524%</b>	Decrease is due to increase in revenue from operations.
Sales Turnover (Q)	1,719.19	387.14		
Working Capital (R)	(4,521.04)	(6,353.77)		
<b>Net profit ratio (S) / (T)</b>	<b>-207.18%</b>	<b>-1929.38%</b>	<b>-89%</b>	Decrease is due to increase in revenues and decrease in exceptional losses.
Net profit (S)	(3,649.34)	(7,991.12)		
Gross Revenue (T)	1,761.44	414.18		
<b>Return on capital employed (U) / (V)</b>	<b>-30.90%</b>	<b>-45.45%</b>	<b>-32%</b>	Decrease is due to increase in revenues and decrease in exceptional losses.
<b>Return on capital employed (Tangible) (U) / (W)</b>				
Earnings Before Interest and Taxes (U)	(2,992.21)	(7,502.95)		
Capital Employed (V)	9,683.82	16,509.34		
Capital Employed Tangible (W)	9,683.82	16,509.34		
Earnings before interest and taxes is defined as: Profit for the period/year before exceptional items and taxes (add) Finance costs (less) interest income				
Capital employed is defined as Equity and Debt				
Capital employed Tangible is defined as Equity and Debt less Goodwill				



## Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

**Note No. 41** 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 and 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 certain direct changes to tables at the application level for the period April 1, 2023 to March 31, 2024.
- in respect of a 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 Financials Statements for the year ended March 31, 2024.

### Note No. 42 Approval of Standalone Financial Statements

The Company's Standalone Financial Statements are approved for issue by the board of directors on May 17, 2024

For and on behalf of Board of Directors

**P R Kannan**

CFO & Executive Director

DIN : 03435209

Place : Bengaluru

Date : May 17, 2024

**Neeraj Sharma**

Managing Director

DIN : 09402652

Place : Bengaluru

Date : May 17, 2024

**Allada Trisha**

Company Secretary

Membership Number : A47635

Place : Bengaluru

Date : May 17, 2024

# Independent Auditor's Report

To  
The Members of  
**Onesource Specialty Pharma Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Onesource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited) ("the Parent" or "the Company") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31 March 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow 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 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 31 March 2024, and their consolidated loss, their consolidated total comprehensive loss, 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, its associates and joint ventures 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.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sl. No.	Key Audit Matters	Auditor's responses
1	<p><b>Going concern assessment</b></p> <p>The Group has recorded a loss amounting to 3,911.65 million for the year ended 31 March 2024.</p> <p>Note 2.2(b) to the consolidated financial statements explain that Management has concluded that the going concern basis is appropriate in preparing the consolidated financial statements of the Company.</p> <p>The Group evaluated its ability to continue as a going concern based upon an assessment of the following:</p> <ul style="list-style-type: none"> <li>- monetizing the value of the intangibles by way of obtaining marketing rights from regulatory authorities and licensing them;</li> <li>- generating increased revenues from CDMO operations;</li> <li>- raising funds through issue of non-convertible debentures;</li> <li>- infusion of capital by current shareholders to the extent of partly paid shares; and</li> <li>- continuing financial support from promoter shareholders.</li> </ul>	<p>Our audit procedures to assess the going concern assumption and whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the Group's ability to continue as a going concern included the following audit procedures to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>• Gaining an understanding and assessing the design, implementation and operating effectiveness of Company's key internal controls over preparation of cash flow forecasts to assess its liquidity;</li> <li>• Compared the forecasted cash flows with the Company's business plan approved by the board of directors;</li> <li>• Evaluating the key assumptions in the cash flow forecasts with reference to historical information, current performance, future plans, and market and other external available information;</li> <li>• Performing a retrospective review to assess the reasonableness of Company's past projections by comparing historical forecasts to actual results;</li> </ul>

Sl. No.	Key Audit Matters	Auditor's responses
	<p>This required the exercise of significant judgement, particularly in forecasting the Group's ability to meet all its obligations as and when it falls due. The Management has also considered that the majority of the Group's borrowings are backed by the corporate guarantees of Strides Pharma Science Limited ('Strides'), an entity having significant influence over the Parent.</p> <p>Based on their assessment, the Management concluded that there are no material uncertainties related to events or conditions which, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern.</p> <p>Considering the significance of the area to the overall standalone financial statements this was significant for our audit.</p>	<ul style="list-style-type: none"> <li>Assessing the underlying supporting documents including corporate guarantee agreements provided by Strides on behalf of the Company to its lenders and confirmation received from Strides to extend necessary support, contracted licensing and manufacturing service agreements, proposed debt financing with underlying documents;</li> <li>Assessing the pending infusion by the current shareholders towards partly paid-up shares and financial support from the promoters and a promoter group Company;</li> <li>Performing sensitivity analysis on the forecasted cash flows by considering plausible changes to the key assumptions adopted by the Company; and</li> <li>Assessing the adequacy of the disclosures related to application of the going concern assumption.</li> </ul>
2	<p><b>Impairment assessment in respect of carrying value of the assets of the Cash Generating Unit (CGU) (which includes intangible assets under development and assets relating to Unit 1 – Research and Development Unit and Unit 2 - Contract Development and Manufacturing Organization (CDMO) as at 31 March 2024:</b></p> <p>As stated in note 4F of the consolidated financial statements, the Management of the Company has assessed the annual impairment of CGU (which includes intangible assets under development and assets relating to Unit 1 – Research and Development Unit and Unit 2 - Contract Development and Manufacturing Organization (CDMO).</p> <p>The carrying value of the CGU is tested by the Management atleast annually for impairment, or more frequently if the events or changes in circumstances indicate that the asset might be impaired. The evaluation requires a comparison of the estimated recoverable value of the CGU to the carrying value of the assets in the CGU. The Management has involved external specialist to carry out impairment assessment.</p> <p>We have considered this to be a key focus area because of the significance of the balance and the significant estimates, judgements and assumptions involved in impairment assessment by the Management, such as:</p> <ul style="list-style-type: none"> <li>Obtaining adequate financing to fulfil the Company's development and commercial activities,</li> <li>risks associated with development and obtaining regulatory approvals of the Company's products,</li> <li>generation of revenues in due course from the product portfolio and contract manufacturing, attainment of profitable operations,</li> <li>agreeing with the appropriate partner for the developments of product portfolio,</li> <li>meeting or capturing the estimated market share for the product portfolios,</li> <li>discount rate and</li> <li>probabilities applied to the revenues which also factors Management's best estimate of possible delay in product development cycle and regulatory approvals.</li> </ul>	<p><b>Our principal audit procedures performed, among other procedures included:</b></p> <ul style="list-style-type: none"> <li>We obtained an understanding of the Management's process for impairment assessment of the carrying value of assets of the CGU.</li> <li>Evaluated the design and implementation of the relevant controls and carried out testing of the Management's control around the impairment assessment.</li> <li>We inquired with Management to understand the factors considered when performing the impairment assessment including the rationale for the events and circumstances considered based on strategic plans of the entity (business revenue projections), consideration of economic and industry matters and the factors considered regarding the overall value in use conclusion.</li> <li>Evaluated the competence of the Management's expert and the key assumptions considered in the Management's estimates of future cash flows.</li> <li>Involved our independent valuation specialist to assist in evaluating methodologies, terminal growth rate, the discount rate applied, which included benchmarking the weighted average cost of capital with sector averages for the relevant markets in which the CGU operates and considering Company specific factors and other key assumptions considered in the calculations.</li> <li>Compared the historical cash flows (including for current year) against past projections of the Management for the same periods and gained understanding of the rationale for the changes.</li> <li>Performed sensitivity analysis on the key assumptions within the forecast cash flows and focused our attention on those assumptions we considered most sensitive to the changes; such as revenue growth during the forecast period, the terminal growth rate and the discount rate applied to the future cash flows.</li> <li>We ascertained the extent to which a change in these assumptions, both individually or in aggregate, would result in impairment, and considered the likelihood of such events occurring.</li> <li>We tested the arithmetical accuracy of the computations.</li> <li>We assessed the accounting principles applied by the Company and adequacy of disclosures in accordance with the Indian Accounting Standards, applicable regulatory financial reporting framework and other accounting principles generally accepted in India.</li> </ul>

## Information Other than the Consolidated 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 Board'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 and, in doing so, 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.

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 consolidated 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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matter

We did not audit the financial statements of 2 subsidiaries, whose financial statements reflect total assets of Rs. 3.93 million as at 31 March 2024, total revenues of Rs. Nil and net cash inflows amounting to Rs. 0.10 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by 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 reports of the 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 other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters 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, 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 31 March 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 incorporated in India is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) The modification relating to the maintenance of accounts and other matters connected therewith, is as 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. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of the Parent.
- 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 Parent 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 28 to the consolidated financial statements.
  - ii) The Group did not have any material foreseeable losses 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 companies incorporated in India.
  - iv) (a) The respective Managements of the Parent and its subsidiary 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 39 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 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 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 subsidiary 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, to the best of their knowledge and belief, as disclosed in the note 39 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 and that performed by the other auditor of the subsidiary company and based on the other auditor's report of the subsidiary company incorporated in India whose financial statements have been audited under the Act, the Parent and its subsidiary company have used accounting softwares 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 except that in respect of the Parent Company (refer note 42 to the consolidated financial statements):
- (i) for one accounting software, audit trail was not enabled for certain direct changes to tables at the application level. Accordingly, we are unable to comment on whether there was any instance of the audit trail feature being tampered with.
- (ii) 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 being 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 financial year ended 31 March 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 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by the auditors of the subsidiary company incorporated in India included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, provided to us by the Management of the Parent, and based on the identification of matters of qualifications or adverse remarks in their CARO reports by the respective component auditors and provided to us, we report that the auditors of such companies have not reported any qualifications or adverse remarks in their CARO report. We have not reported any qualification or adverse remark in the CARO report of the Parent.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 008072S)

**Sandeep Kukreja**  
(Partner)

Place: Bengaluru  
Date: 17 May 2024

Membership Number : 220411  
(UDIN: 24220411BKERLB4498)

# 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 31 March 2024, we have audited the internal financial controls with reference to consolidated financial statements of OneSource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited) (hereinafter referred to as “Parent”) and its subsidiary company, which are companies 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 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 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 and the audit evidence obtained by the other auditor of the subsidiary company, which are companies incorporated in India, in terms of their reports referred to in the Other Matter paragraph below, 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 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 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, and based on the consideration of the report of the other auditor referred to in the Other Matter paragraph below, the 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.

### Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to subsidiary company, which are companies incorporated in India, is based solely on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of the above matter.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 008072S)

**Sandeep Kukreja**  
(Partner)

Place: Bengaluru  
Date: 17 May 2024

Membership Number : 220411  
(UDIN: 24220411BKERLB4498)

# Consolidated Balance Sheet

as at March 31, 2024

CIN: U74140KA2007PLC043095

₹ in Million

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
<b>A. ASSETS</b>			
<b>I Non-current assets</b>			
(a) Property, Plant and Equipment	4A	6,596.46	11,269.51
(b) Right of use assets	4B	227.84	399.08
(c) Capital work in progress	4C	427.35	1,912.31
(d) Intangible assets	4D	1,801.56	1,944.68
(e) Intangible assets under development	4E	1,452.90	1,432.38
(f) Financial assets			
(i) Investments	8	37.91	-
(ii) Security deposits	5	41.11	100.30
(g) Other non-current assets	6	737.17	745.78
<b>Total non-current assets</b>		<b>11,322.30</b>	<b>17,804.04</b>
<b>II Current assets</b>			
1 (a) Inventories	7	112.31	1,331.57
(b) Financial assets			
(i) Investments	8	157.92	45.00
(ii) Trade receivables	9A	552.39	38.22
(iii) Cash and cash equivalents	10A	64.72	49.74
(iv) Bank balances other than (iii) above	10B	538.56	748.53
(v) Other financial assets	9B	50.00	-
(c) Other current assets	6	287.91	70.98
<b>Total current assets</b>		<b>1,763.81</b>	<b>2,284.04</b>
<b>Total assets (I+II)</b>		<b>13,086.11</b>	<b>20,088.08</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>I Equity</b>			
(a) Equity share capital	11A	40.10	40.10
(b) Other equity	11B	3,917.03	7,814.43
<b>Total Equity</b>		<b>3,957.13</b>	<b>7,854.53</b>
<b>II Liabilities</b>			
<b>1 Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings - LT	12	2,715.92	3,348.75
(ii) Lease liabilities	13	83.22	211.15
(b) Provisions	14	23.96	21.50
<b>Total Non-current liabilities</b>		<b>2,823.10</b>	<b>3,581.40</b>
<b>2 Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	2,905.72	5,018.16
(ii) Lease liabilities	13	6.87	64.14
(iii) Trade payables	16		
(A) total outstanding dues of micro and small enterprises		144.46	170.99
(B) total outstanding dues of creditors other than micro and small enterprises		665.77	777.21
(iv) Other financial liabilities	17	1,568.35	1,965.54
(b) Provisions	14	42.98	35.83
(c) Other current liabilities	18	971.73	620.28
<b>Total Current liabilities</b>		<b>6,305.88</b>	<b>8,652.15</b>
<b>Total Equity and liabilities (I+II)</b>		<b>13,086.11</b>	<b>20,088.08</b>

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached  
For **Deloitte Haskins & Sells**  
Chartered Accountants  
Firm's Registration Number : 008072S

For and on behalf of Board of Directors

**Sandeep Kukreja**  
Partner  
Membership Number : 220411

**P R Kannan**  
CFO & Executive Director  
DIN : 03435209

**Neeraj Sharma**  
Managing Director  
DIN : 09402652

**Allada Trisha**  
Company Secretary  
Membership Number : A47635

Place : Bengaluru  
Date : May 17, 2024

Place : Bengaluru  
Date : May 17, 2024

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

CIN: U74140KA2007PLC043095

₹ in Million

Sl No.	Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
<b>A.</b>	<b>Continuing Operations</b>			
1	Revenue from operations	19	1,719.19	387.14
2	Other income	20	42.25	26.92
3	<b>Total income (1+2)</b>		<b>1,761.44</b>	<b>414.06</b>
4	<b>Expenses</b>			
	(a) Consumables	21	705.09	204.11
	(b) Employee benefits expenses	22	793.61	728.01
	(c) Finance costs	23	894.48	475.45
	(d) Depreciation and amortisation expenses	24	762.93	656.80
	(e) Other expenses	25	1,102.88	1,061.89
	<b>Total expenses (4)</b>		<b>4,258.99</b>	<b>3,126.26</b>
5	<b>Loss before exceptional items and tax (3 - 4)</b>		<b>(2,497.55)</b>	<b>(2,712.20)</b>
6	Exceptional items - loss (refer note 26)	26	(1,159.42)	(1,444.25)
7	<b>Loss before tax (5 + 6)</b>		<b>(3,656.97)</b>	<b>(4,156.45)</b>
8	Tax expense		-	-
9	<b>Loss after tax from Continuing operations (7 - 8)</b>		<b>(3,656.97)</b>	<b>(4,156.45)</b>
<b>B.</b>	<b>Discontinued Operations</b>			
	(i) Loss from Discontinued Operations	34	(856.30)	(3,841.85)
	(ii) Gain on disposal of assets / settlement of liabilities attributable to the discontinued operations (net)	34	601.62	-
	(iii) Tax expense of discontinued operations		-	-
10	<b>Loss after tax from discontinued operations</b>		<b>(254.68)</b>	<b>(3,841.85)</b>
11	<b>Loss for the year (9 + 10)</b>		<b>(3,911.65)</b>	<b>(7,998.30)</b>
12	<b>Other Comprehensive Income</b>			
	<b>Items that will not be reclassified to statement of profit and loss</b>			
	- Remeasurements of post employment benefit obligations - (loss) / gain	29	(5.25)	4.75
	<b>Items that may be reclassified to statement of profit and loss</b>			
	- Exchange differences in translating the financial statements of foreign operations		(0.06)	16.12
	<b>Total other comprehensive (loss) / income</b>		<b>(5.31)</b>	<b>20.87</b>
13	<b>Total comprehensive loss for the year (11 + 12)</b>		<b>(3,916.96)</b>	<b>(7,977.43)</b>
14	<b>Loss per share (of ₹ 1/- each) (for continuing operations):</b>	31		
	- Basic		(88.02)	(104.38)
	- Diluted		(88.02)	(104.38)
	<b>Loss per share (of ₹ 1/- each) (for discontinued operations):</b>			
	- Basic		(6.13)	(96.49)
	- Diluted		(6.13)	(96.49)
	<b>Loss per share (of ₹ 1/- each) (for total operations):</b>			
	- Basic		(94.15)	(200.87)
	- Diluted		(94.15)	(200.87)

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached  
For **Deloitte Haskins & Sells**  
Chartered Accountants  
Firm's Registration Number : 008072S

For and on behalf of Board of Directors

**Sandeep Kukreja**  
Partner  
Membership Number : 220411

**P R Kannan**  
CFO & Executive Director  
DIN : 03435209

**Neeraj Sharma**  
Managing Director  
DIN : 09402652

**Allada Trisha**  
Company Secretary  
Membership Number : A47635

Place : Bengaluru  
Date : May 17, 2024

Place : Bengaluru  
Date : May 17, 2024

# Consolidated Statement of Cash Flow

for the year ended March 31, 2024

CIN: U74140KA2007PLC043095

₹ in Million

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>A. Cash flow from operating activities</b>		
Loss before tax for the year		
Continuing Operations	(3,656.97)	(4,156.45)
Discontinuing Operations	(254.68)	(3,841.85)
<b>Loss before tax for the year (including discontinuing operations)</b>	<b>(3,911.65)</b>	<b>(7,998.30)</b>
<b>Adjustments for:</b>		
Depreciation and amortisation (Refer Note 21)	953.80	1,141.01
Finance costs (Refer Note 20)	1,171.63	1,207.63
Interest income (Refer Note 18)	(32.65)	(30.32)
Write-off of Property, Plant and Equipment	-	7.11
Share based payment expenses	19.56	59.59
Advance written off	0.73	-
Sundry creditors written off	-	(0.06)
Gain on termination of lease	(38.66)	-
Loss on sale of asset	62.12	-
Insurance claim against property, plant and equipment	-	(9.03)
Gain on disposal of assets / settlement of liabilities attributable to the discontinued operations (net)	(601.62)	-
Unrealised exchange (gain)/loss (net)	24.99	221.92
<b>Exceptional Items :-</b>		
Provision for Inventory Obsolescence related to Sputnik Light vaccines.	1,223.29	2,002.24
Write-off of GST related balance (including the balances of discontinued operations)	97.65	-
Write-off related to Inventories and other related balances of Akston Project	-	491.05
Intangibles under development written-off	-	953.20
	<b>2,880.84</b>	<b>6,044.34</b>
<b>Operating loss before working capital changes</b>	<b>(1,030.81)</b>	<b>(1,953.96)</b>
<b>Changes in working capital:</b>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Trade receivable (Refer Note 8)	(514.17)	198.21
Other assets (financial & non-financial)	(256.71)	12.27
Decrease / (increase) in inventories	(4.03)	(579.03)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables (Refer Note 14)	(160.94)	150.97
Other liabilities (financial & non-financial)	894.55	434.58
	<b>(41.30)</b>	<b>217.00</b>
<b>Net cash used for operating activities</b>	<b>(1,072.11)</b>	<b>(1,736.96)</b>
Income taxes - refund	-	109.31
<b>Net cash used in operating activities (A)</b>	<b>(1,072.11)</b>	<b>(1,627.65)</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on property, plant and equipments including capital advances	(637.67)	(439.95)
Proceeds from sale of asset	3.97	-
Investments in subsidiaries	(37.91)	-
Proceeds from sale of multimodule facility	5,531.70	-
Proceeds from termination / (contribution to) of margin money deposits	610.17	(268.71)
Investment in fixed deposit	(394.23)	-
Interest received	29.42	30.32
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>5,105.45</b>	<b>(678.34)</b>

# Consolidated Statement of Cash Flow

for the year ended March 31, 2024

CIN: U74140KA2007PLC043095

₹ in Million

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity shares	-	5,647.58
Proceeds from issue of non-convertible debentures	3,907.20	500.00
Redemption of non-convertible debentures	(1,057.50)	-
Proceeds of short term borrowings - Related party	2,545.01	955.00
Repayment of short term borrowings - Related party	(2,909.49)	-
Proceeds of short term borrowings	980.00	78.73
Proceeds of long-term borrowings	-	28.52
Repayment of long-term borrowings	(3,988.79)	(3,962.59)
Repayment of short term borrowings	(2,283.45)	(926.05)
Lease Payments	(65.63)	(85.10)
Interest paid	(1,032.79)	(1,052.91)
<b>Net cash (used in) / flow from financing activities (C)</b>	<b>(3,905.44)</b>	<b>1,183.18</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>127.90</b>	<b>(1,122.81)</b>
Cash and cash equivalents at the beginning of the year	94.74	1,217.55
<b>Cash and cash equivalents at the end of the year</b>	<b>222.64</b>	<b>94.74</b>
<b>Reconciliation of cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents as per Balance Sheet (Refer Note 10A)	64.72	49.74
Liquid Mutual Funds (Refer Note 8)	157.92	45.00
<b>Cash and cash equivalents at the end of the year *</b>	<b>222.64</b>	<b>94.74</b>
* Cash and cash equivalents comprises:		
Cash on hand	0.03	0.66
Balances with banks		
- in current accounts	64.69	49.08
Liquid Mutual Funds	157.92	45.00
<b>Total</b>	<b>222.64</b>	<b>94.74</b>

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For and on behalf of Board of Directors

For **Deloitte Haskins & Sells**

Chartered Accountants

Firm's Registration Number : 008072S

**Sandeep Kukreja**

Partner

Membership Number : 220411

**P R Kannan**

CFO &amp; Executive Director

DIN : 03435209

**Neeraj Sharma**

Managing Director

DIN : 09402652

**Allada Trisha**

Company Secretary

Membership Number : A47635

Place : Bengaluru

Date : May 17, 2024

Place : Bengaluru

Date : May 17, 2024

# Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

## A. Equity Share Capital

### (1) Current reporting period

₹ in Million

Balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
40.10	-	40.10

### (2) Previous reporting period

₹ in Million

Balance at the beginning of the previous reporting year	Changes in equity share capital during the previous year	Balance at the end of the previous reporting year
30.36	9.74	40.10

## B. Other equity

₹ in Million

Particulars	Reserves and Surplus				Total equity attributable to equity holders of the Company
	Securities premium account	Share based payment reserve	Retained earnings	Other comprehensive income - Foreign currency translation	
<b>Balance as at April 01, 2022</b>	<b>16,401.78</b>	-	<b>(6,313.97)</b>	<b>6.62</b>	<b>10,094.43</b>
Loss for the year from continuing operations	-	-	(4,156.45)	-	(4,156.45)
Loss on Discontinuing Operations	-	-	(3,841.85)	-	(3,841.85)
Charge for the year	-	59.59	-	-	59.59
Premium received on shares issued during the year	5,637.84	-	-	-	5,637.84
Remeasurements of post employment benefit obligations - Recognised as OCI	-	-	4.75	16.12	20.87
<b>Balance as at March 31, 2023</b>	<b>22,039.62</b>	<b>59.59</b>	<b>(14,307.52)</b>	<b>22.74</b>	<b>7,814.43</b>
Loss for the year from continuing operations	-	-	(3,656.97)	-	(3,656.97)
Loss on Discontinuing Operations	-	-	(254.68)	-	(254.68)
Charge for the year	-	19.56	-	-	19.56
Remeasurements of post employment benefit obligations - Recognised as OCI	-	-	(5.25)	(0.06)	(5.31)
<b>Balance as at March 31, 2024</b>	<b>22,039.62</b>	<b>79.15</b>	<b>(18,224.42)</b>	<b>22.68</b>	<b>3,917.03</b>

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

Firm's Registration Number : 008072S

For and on behalf of Board of Directors

**Sandeep Kukreja**

Partner

Membership Number : 220411

**P R Kannan**

CFO &amp; Executive Director

DIN : 03435209

**Neeraj Sharma**

Managing Director

DIN : 09402652

**Allada Trisha**

Company Secretary

Membership Number : A47635

Place : Bengaluru

Date : May 17, 2024

Place : Bengaluru

Date : May 17, 2024

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

## Note No. 1 General Information

Onesource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited) (the 'Company' or 'Parent Company' or 'Stelis') was incorporated in the state of Karnataka on June 12, 2007 and engaged in the research, development, manufacture and commercialisation of biological drug products in various injectable formats. Stelis also offers end-to-end CDMO services across all phases of pre-clinical and clinical development and commercial supply of biologics. The Company and its subsidiaries are together referred as ""Group"".

The Company's application to Central Government for change of name from Stelis Biopharma Limited to Onesource Specialty Pharma Limited dated November 26, 2023 was approved by the relevant regulatory authority on February 13, 2024.

## Note No. 2 Material accounting policies

### 2.1 Statement of compliance

These Consolidated Financial Statements have been prepared to comply with recognition and measurement principles of Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015, as amended, notified under section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

### 2.2 Basis of preparation and presentation

(a) The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting year, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for assets.

(b) During the year ended March 31, 2024, the Group has incurred loss of ₹ 3,911.65 million (year ended March 31, 2023 : ₹ 7,998.30 million). The current liabilities (including current maturities of long-term debt of ₹ 1,560.38 million) exceeded its current assets by ₹ 4,542.07 million as at March 31, 2024. The Group also requires additional funds to continue its product development activities and day to day operations and completion of capital projects in progress.

The Company has requested temporary relaxations for compliance with the financial covenants from the lenders for the years ended March 31, 2024 as these have not been met. Pending approval from lenders, the Company has classified the entire outstanding amount as current borrowings as loan agreement provides for call back if financial covenants are breached.

The Company also expects to grow the business of Contract Development and Manufacturing Operations (CDMO). The Company has also signed several Manufacturing Services Agreements (MSA) for its CDMO business which is expected to convert into Commercial supplies under a Commercial Sales Agreement (CSA) on approval for the customer in future.

The Company had entered into the scheme of arrangement whereby the Company, will set up 'One Source', Specialty Pharma CDMO that will be established through the demerger of CDMO unit of SteriScience Specialties Private Limited and Oral Soft Gelatin technologies of Strides Pharma Science Limited. The Company had applied for the Scheme of arrangement during the current year and the process of setting up is expected to complete by December 2024.

During the year, the promoter group companies and other Investors have infused funds in the form of debt into the Company aggregating to ₹ 7,497.59 million (including ₹ 2,539.59 million from the promoter group companies). Subsequent to the reporting year, the Company has raised ₹ 2,000 million through issue of 20,000 non-convertible debentures of face value of ₹ 1 lakh each which will list with BSE India. The promoters are committed to continue to provide the requisite financial support to the Company as it requires in the normal course of business.

Majority of the Company's borrowings are backed by the corporate guarantees provided by Strides Pharma Science Limited (Strides), an entity having significant influence on the Company. The Company has received a confirmation from Strides affirming that in case of any guarantees devolving on Strides, they will provide 15 months time for repayment.

The management is confident of executing the aforesaid mitigation plans to ensure that the Company meets all its obligations in the normal course of business.

### (c) Basis of consolidation

The Consolidated Financial Statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Details of subsidiaries considered in these Consolidated Financial Statements :-

Name of the Subsidiary	% of Holding	Country of Incorporation
Biolexis Pte Limited**	100%	Singapore
Biolexis Private Limited	100%	India
Stelis Pte. Limited	*	Singapore
Stelis Biopharma UK Private Limited	*	United Kingdom

\* No investments by the Parent in these subsidiaries as of March 31, 2024.

\*\* The Company holds 100% in Biolexis Pte Limited through Biolexis Private Limited

### 2.3 Revenue recognition

Revenue is measured based on the transaction price (net of variable consideration) allocated to that performance obligation. The Group recognises revenue when it transfers control of a product or service to a customer. Revenue is recognised net of discounts, volume rebates, outgoing sales taxes/ goods and service tax and other indirect taxes.

#### 2.3.1 Sale of Services

Service income is recognised as per the terms of contracts with the customers when the related services are performed as per the stage of completion or on achievement of agreed milestones and are net of indirect taxes, wherever applicable.

Materials consumed during the process of providing aforesaid services are billed at cost plus agreed upon mark up with the customers.

Goods and Service Tax [GST] is not received by the Company on its own account. Rather, it is a tax collected on value added to the goods and services by the Company on behalf of the government. Accordingly, it is excluded from revenue.

#### Sale of goods

Revenue from sale of goods is recognised upon transfer of control to the customer. The point at which control passes depends on the terms set forth in the customer's contract. Generally, the control is transferred 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 sold.

The Company recognises a deferred income (contract liability) if consideration has been received



# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

before the company transfers the promised goods or services to the customer.

Deferred income mainly relates to remaining performance obligations in (partially) unsatisfied long-term contracts or are related to amounts the Company expects to receive for goods and services that have not yet been transferred to customers under existing, noncancellable or otherwise enforceable contracts.

## 2.3.2 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

## 2.4 Functional Currency

The Consolidated Financial Statements are presented in Indian rupees, which is the functional currency of the Parent Company. Functional currency of an entity is the currency of the primary economic environment in which the entity operates.

## 2.5 Foreign currencies transactions and translation

At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in statement of profit and loss in the year in which they arise.

## 2.6 Leases

### 2.6.1 The Group as lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee,

the contract is classified as a finance lease. All other leases are classified as operating leases. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

### 2.6.2 The Group as lessee

The Group assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves–

- (a) the use of an identified asset,
  - (b) the right to obtain substantially all the economic benefits from use of the identified asset, and
  - (c) the right to direct the use of the identified asset.
- The Group has entered into lease arrangements for its factory land and office premises. The Group at the inception of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

The lease liability is initially measured at amortized 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. 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.

For short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

# Notes forming part of the Consolidated Financial Statements

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## 2.7 Borrowing costs

### Borrowing costs include:

- (i) interest expense calculated using the effective interest rate method,
- (ii) finance charges in respect of finance leases, and
- (iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial year of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in statement of profit and loss in the year in which they are incurred.

## 2.8 Employee benefits

### 2.8.1 Short term obligations

Liabilities for wages and salaries, including other benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting year and are measured at the amounts expected to be paid when the liabilities are settled.

### 2.8.2 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting year. Remeasurement, comprising actuarial gains and losses, the effect of the asset ceiling (if applicable) and the return on plan assets (excluding interest), are recognised immediately in the balance sheet with a charge or credit to other comprehensive income in the year in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or

loss. Past service cost is recognised in profit or loss when the plan amendment, or curtailment occurs, or when the Group recognises related restructuring costs or termination benefits, if earlier. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

### 2.8.3 Defined contribution plan

Contribution to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

### 2.8.4 Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related services are recognised at an actuarially determined liability at the present value of the defined benefit obligation at the Balance sheet date. In respect of compensated absences expected to occur within twelve months after the end of the year in which the employee renders the related services, liability for short-term employee benefits is measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

### 2.8.5 Share based compensations

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled

# Notes forming part of the Consolidated Financial Statements

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share-based payments is expensed on a straight-line basis over the vesting year, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Company 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.

## 2.9 Taxation

The income tax expense or credit for the year is the tax payable on the current year's taxable income, based on the applicable income tax rate for each jurisdiction adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences.

### 2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting year.

### 2.9.2 Deferred tax

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 liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting year, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets includes Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

### 2.9.3 Current and deferred tax

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

## 2.10 Property, plant and equipment and depreciation

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to

# Notes forming part of the Consolidated Financial Statements

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the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting year, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed to be different and are as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Dies and punches : 4 years

Certain factory buildings: Lease year of the asset

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

When an item of property, plant and equipment is acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets, the cost of that item is measured at fair value (even if the entity cannot immediately derecognise the asset given up) unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measurable. If the acquired item is not measured at fair value, its cost is measured at the carrying amount of the asset given up.

## 2.11 Intangible assets and amortisation

### 2.11.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.

The estimated useful life and amortisation method are reviewed at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

### 2.11.2 Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the year in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in statement of profit or loss in the year in which it is incurred.

Expenses capitalised includes directly attributable cost of preparing intangible asset for its intended use and borrowing costs capitalised in accordance with the Group's accounting policy.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

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for the year ended March 31, 2024

## 2.11.3 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit or loss when the asset is derecognised.

## 2.11.4 Useful lives of intangible assets

Intangible assets are amortised over their estimated useful life on straight line method.

Software Licenses : 3 - 5 years

Marketing and manufacturing rights : 15 years

## 2.12 Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads. Cost is determined as follows:

Raw materials, packing materials and consumables	Weighted average basis
Finished Goods and WIP	Weighted average basis - Includes appropriate proportion of overheads

## 2.13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

## 2.13.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

## 2.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

### Financial assets and Financial liabilities

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

### Initial recognition and measurement:

Other financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

### Subsequent measurement:

Financial assets at amortised cost: Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss: Financial assets are measured at fair value through profit or loss unless it measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the consolidated statement of profit and loss.

### Derecognition of financial assets and liabilities:

The Group derecognises the financial asset only when the contractual rights to the cashflows from the asset expires or it transfers the financial asset and substantially

# Notes forming part of the Consolidated Financial Statements

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all the risks and rewards of the ownership of the asset to the other entity. If the Group neither transfers nor retains substantially all risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and associated liability for the amounts it may have to pay. If the Group retains substantially all risks and rewards of the ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received. Financial liabilities are derecognised when these are extinguished, that is when the obligation is discharged, cancelled or has expired.

## Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the group after deducting all of its liabilities. Equity instruments recognised by the Group are recognised at the proceeds received net off direct issue cost.

## 2.15 Impairment of assets

### Impairment of non-financial assets

At the end of each reporting year, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is

reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

### Impairment of financial assets:

The Group assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

## 2.16 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.

## 2.17 Operating Cycle

As mentioned in para 1 above under 'General information', the Group is into development and manufacture of pharmaceutical products. Based on the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 3 years to 5 years and 12 months relating to research and development activities and manufacturing of pharmaceutical products respectively. The above basis is used for classifying the assets and liabilities into current and non-current as the case may be.

## 2.18 Government Grants

Grants from the Government are recognised when there is reasonable assurance that:

- (i) the Group will comply with the conditions attached to them; and
- (ii) the grant will be received.

Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over

# Notes forming part of the Consolidated Financial Statements

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the years necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. Government grants related to assets, including nonmonetary grants at fair value, shall be presented in the balance sheet by setting up the grant as deferred income. The grant set up as deferred income is recognised in profit or loss on a systematic basis over the useful life of the asset.

## 2.19 Exceptional Items

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Group.

## 2.20 Statement of Cash Flow

Cash flows are reported using the indirect method, where by Profit / (Loss) for the year is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Group are segregated.

## 2.21 Discontinued Operations

A discontinued operation is a component of the Company's business that represents a separate line of business that has been disposed off or is held for sale. Classification as a discontinued operation occurs upon the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

The gain or loss arising on disposal business is recognised in the statement of profit and loss.

## 2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

## Note No. 3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of Consolidated Financial Statements requires the management to make estimates and assumptions that affect the amounts reported for assets and liabilities including the recoverability of tangible and intangible assets, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses during the reported year. Estimates and judgments are continually evaluated by the management.

### 3.1 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty

at the end of the reporting year that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### 3.1.1 Useful lives of property, plant and equipment and Intangible assets

The Company reviews the useful life of property, plant and equipment and intangible assets at the end of each reporting year. This assessment may result in change in the depreciation expense in future years.

#### 3.1.2 Recoverability of non-current assets

Annually, the Group reviews the carrying amount of carrying value of the assets of the Cash Generating Unit (CGU) (which included the property, plant and equipment, capital work-in progress, right-of use asset, intangible asset and intangible assets under development) for impairment. The recoverability of non-current assets is based on the estimated future cash flows, using the Group's current business plan. The value in use of the assets were determined using a discounted cash flow methodology based primarily on unobservable inputs, including estimated post-tax future cash flows attributable to the assets and a post-tax discount rate reflecting a current market assessment of the time value of money and the risks specific to the assets. The changes in current estimates due to unanticipated events could have significant impact on the Consolidated Financial Statements.

#### 3.1.3 Taxes

Deferred tax assets is recognised to the extent that it is probable that taxable profit will be available against which the same can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

#### 3.1.4 Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in note 29

### 3.1.5 Going Concern

The Group has mitigating plans due to which there is a reasonable expectation that the Group will be able to generate/raise adequate resources to continue operating for the foreseeable future and that the going concern basis for the preparation of its Consolidated Financial Statements remains appropriate. Also see Note 2.2(b).

### 3.1.6 Share based compensations

At the end of each reporting year, the Company 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.

### 3.1.7 Leases under Ind AS 116

Ind AS 116 requires lessees to determine the lease term as the non-cancellable year of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The

Company 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 Company 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 Company'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.

### 3.1.8 Estimation of uncertainties relating to the geopolitical situation in Russia and Ukraine:

As at March 31, 2024, the Group has considered possible effects that may result from geopolitical situation in Russia and Ukraine, in preparation of the Consolidated Financial Statements including assessing the recoverability of property, plant and equipment, intangible assets, capital work in progress, intangible assets under development, right of use assets, inventories and other assets. The Group has considered both internal and external information up to the date of approval of these financial statements. Based on current indicators of future economic conditions, the Management expects to recover the carrying amount of these assets. However, the impact of this geopolitical situation may be different from that estimated as at the date of approval of these Consolidated Financial Statements given the uncertainties associated with its nature and duration. The Company will continue to closely monitor any material changes to future economic conditions.



## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note No. 4A Property, Plant and Equipment

Particulars	Gross carrying value			Accumulated depreciation			Net carrying value				
	As at April 01, 2023	Additions	Disposals	Derecognised on disposal of business (refer note 34)	As at March 31, 2024	As at April 01, 2023	Depreciation expense for the year	Eliminated on disposal of assets	Eliminated on disposal of business (refer note 34)	As at March 31, 2024	As at March 31, 2023
Leasehold Improvements	1,440.89	4.48	-	233.56	1,211.81	254.55	53.87	-	44.61	948.00	1,186.34
	(1,428.88)	(12.31)	(0.25)	-	(1,440.89)	(168.26)	(86.53)	(0.24)	-	(1,186.34)	(1,260.57)
Plant and Machinery	11,932.32	660.98	78.01	4,895.04	7,620.25	2,073.30	660.96	12.33	648.79	5,547.11	9,859.02
	(11,568.60)	(401.90)	(38.18)	-	(11,932.32)	(1,223.00)	(875.50)	(25.20)	-	(9,859.02)	(10,345.60)
Office equipments	124.21	6.77	-	26.37	104.61	73.54	24.36	-	8.60	15.31	50.67
	(116.98)	(7.45)	(0.22)	-	(124.21)	(50.09)	(23.66)	(0.21)	-	(50.67)	(66.89)
Computers	164.97	10.50	-	61.25	114.22	80.26	22.72	-	20.23	31.47	84.71
	(156.41)	(12.37)	(3.81)	-	(164.97)	(55.48)	(28.33)	(3.55)	-	(84.71)	(100.93)
Furniture and fixtures	110.92	2.58	1.32	32.29	79.89	23.23	9.16	0.91	5.29	53.70	87.69
	(96.44)	(17.95)	(3.47)	-	(110.92)	(15.11)	(10.99)	(2.87)	-	(87.69)	(81.33)
Vehicles	1.72	-	-	-	1.72	0.64	0.21	-	-	0.85	1.08
	(1.72)	-	-	-	(1.72)	(0.43)	(0.21)	-	-	(1.08)	(1.29)
<b>Total</b>	<b>13,775.03</b>	<b>685.31</b>	<b>79.33</b>	<b>5,248.51</b>	<b>9,132.50</b>	<b>2,505.52</b>	<b>771.28</b>	<b>13.24</b>	<b>727.52</b>	<b>6,596.46</b>	<b>11,269.51</b>
<b>Previous year</b>	<b>(13,368.98)</b>	<b>(451.98)</b>	<b>(45.93)</b>	<b>-</b>	<b>(13,775.03)</b>	<b>(1,512.37)</b>	<b>(1,025.22)</b>	<b>(32.07)</b>	<b>-</b>	<b>(11,269.51)</b>	<b>(11,856.61)</b>

₹ in Million

### Note:-

- Figures in bracket relates to previous year (April 01, 2022 to March 31, 2023)
- Refer note 12 for properties pledged as security towards borrowings

### Note No. 4B Right of Use Assets

Particulars	Gross carrying value			Accumulated depreciation			Net carrying value				
	As at April 01, 2023	Additions	Disposals	Derecognised on disposal of business (refer note 34)	As at March 31, 2024	As at April 01, 2023	Depreciation expense for the year	Eliminated on disposal of assets	Eliminated on disposal of business (refer note 34)	As at March 31, 2024	As at March 31, 2023
Land	157.35	34.80	-	-	192.15	8.08	8.03	-	-	176.04	149.27
	(157.35)	-	-	-	(157.35)	(6.45)	(1.63)	-	-	(149.27)	(150.90)
Building	382.71	-	-	321.75	60.96	134.75	32.94	-	157.54	50.81	247.96
	(321.74)	(60.97)	-	-	(382.71)	(63.26)	(71.49)	-	-	(247.96)	(258.48)
Plant and Machinery	4.31	-	-	-	4.31	2.46	0.86	-	-	3.32	1.85
	(4.31)	-	-	-	(4.31)	(1.60)	(0.86)	-	-	(2.46)	(2.71)
<b>Total</b>	<b>544.37</b>	<b>34.80</b>	<b>-</b>	<b>321.75</b>	<b>257.42</b>	<b>145.29</b>	<b>41.83</b>	<b>-</b>	<b>157.54</b>	<b>29.58</b>	<b>399.08</b>
<b>Previous year</b>	<b>(483.40)</b>	<b>(60.97)</b>	<b>-</b>	<b>-</b>	<b>(544.37)</b>	<b>(71.31)</b>	<b>(73.98)</b>	<b>-</b>	<b>-</b>	<b>(399.08)</b>	<b>(412.09)</b>

₹ in Million

### Note:-

- Figures in bracket relates to previous year (April 01, 2022 to March 31, 2023)

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note No. 4C Capital Work in Progress

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance	1,912.31	677.56
Add: Additions during the year	186.71	1,699.67
Less: Capitalised during the year	(686.76)	(464.92)
Less: Derecognised on disposal of business (refer note 34)	(984.91)	-
<b>Closing Balance</b>	<b>427.35</b>	<b>1,912.31</b>

₹ in Million

Capital Work in Progress	Amount in CWIP for a period of				As at March 31, 2024
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	78.38	122.86	1.18	224.93	427.35
	<b>78.38</b>	<b>122.86</b>	<b>1.18</b>	<b>224.93</b>	<b>427.35</b>

₹ in Million

Capital Work in Progress	Amount in CWIP for a period of				As at March 31, 2023
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1,393.01	259.79	18.90	240.61	1,912.31
	<b>1,393.01</b>	<b>259.79</b>	<b>18.90</b>	<b>240.61</b>	<b>1,912.31</b>

As on the date of the balance sheet, there are no capital work-in-progress projects whose completion is overdue or has exceeded the cost, based on approved plan.

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note No. 4D Intangible Assets

Particulars	Gross carrying value			Accumulated depreciation				Net carrying value			
	As at April 01, 2023	Additions	Disposals	Derecognised on disposal of business (refer note 34)	As at March 31, 2024	As at April 01, 2023	Amortisation expense for the year	Eliminated on disposal of assets	Eliminated on disposal of business (refer note 34)	As at March 31, 2024	As at March 31, 2023
Software licenses	75.74	1.45	-	6.17	71.02	33.92	11.96	-	2.27	43.61	27.41
	(62.80)	(12.94)	-	-	(75.74)	(19.97)	(13.95)	-	-	(33.92)	(41.82)
Marketing and manufacturing rights	1,930.72	-	-	-	1,930.72	27.86	128.71	-	-	156.57	1,774.15
	-	(1,930.72)	-	-	(1,930.72)	-	(27.86)	-	-	(27.86)	(1,902.86)
<b>Total</b>	<b>2,006.46</b>	<b>1.45</b>	<b>-</b>	<b>6.17</b>	<b>2,001.74</b>	<b>61.78</b>	<b>140.67</b>	<b>-</b>	<b>2.27</b>	<b>200.18</b>	<b>1,801.56</b>
<b>Previous year</b>	<b>(62.80)</b>	<b>(1,943.66)</b>	<b>-</b>	<b>-</b>	<b>(2,006.46)</b>	<b>(19.97)</b>	<b>(41.81)</b>	<b>-</b>	<b>-</b>	<b>(61.78)</b>	<b>(1,944.68)</b>

₹ in Million

#### Notes:-

- Figures in bracket relates to previous year (April 01, 2022 to March 31, 2023)
- Marketing and manufacturing rights has a remaining amortisation period of 44 months as at March 31, 2024 (March 31, 2023 : 56 months)

### Note No. 4E Intangible assets under development

Particulars	As at March 31, 2024	As at March 31, 2023
Intangible assets under development	1,452.90	1,432.38
<b>Total</b>	<b>1,452.90</b>	<b>1,432.38</b>

₹ in Million

Intangible assets under development	Amount in intangible assets under development for a period of			As at March 31, 2024
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	5.09	70.99	27.95	108.26
Projects temporarily suspended	15.43	116.71	206.15	1,344.64
	<b>20.52</b>	<b>187.70</b>	<b>234.10</b>	<b>1,010.58</b>
				<b>1,452.90</b>

₹ in Million

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note No. 4E Intangible assets under development (Contd..)

#### Intangible assets under development completion schedule whose completion is overdue as at March 31, 2024

₹ in Million

Intangible assets under development	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1	-	1,344.64	-	-	1,344.64
	-	<b>1,344.64</b>	-	-	<b>1,344.64</b>

₹ in Million

Intangible assets under development	Amount in Intangible assets under development for a period of				As at March 31, 2023
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	187.70	234.10	239.69	770.89	1,432.38
Projects temporarily suspended	-	-	-	-	-
	<b>187.70</b>	<b>234.10</b>	<b>239.69</b>	<b>770.89</b>	<b>1,432.38</b>

As on the date of the balance sheet, there are no intangibles under development projects whose completion is overdue or has exceeded the cost other than disclosed above, based on approved plan.

### Note No. 4F Annual Impairment assessment (CDMO-1 business and intangible assets under development):

The Management of the Company have performed annual impairment assessment of the carrying value of the assets of the Cash Generating Unit (CGU) (which included the CDMO business and intangible assets under development) amounting to ₹ 10,655 million as at December 31, 2023 (December 31, 2022: ₹ 10,342 million). The "value in use" of the CGU has been determined by the external valuation experts using discounted cash flow approach. Based on such valuation, the Company has assessed that there is no impairment.

Determination of value in use involves significant estimates and assumptions that affect the reporting CGU's expected future cash flows. These estimates and assumptions, primarily include, but are not limited to:

- obtaining adequate financing to fulfil the Company's development and commercial activities,
- the risks associated with development and obtaining regulatory approvals of the Company's products,
- generation of revenues in due course from the product portfolio and contract manufacturing,
- attainment of profitable operations,
- agreeing with the appropriate partner for the developments of product portfolio,
- meeting or capturing the estimated market share for the product portfolios and
- discount factors

The expected cash flows used in computation of value in use are based on the probabilities applied to the revenues which also factors management's best estimate of possible delay in product development cycle and regulatory approvals and are discounted using a post tax discount rate of 18.5% (December 31, 2022: 22.5%). The terminal value of cash generating unit is arrived at by extrapolating cash flows of latest forecasted year to perpetuity using a constant long-term growth rate of 5% (March 31, 2023: 5%) p.a. which is consistent with the industry forecasts for the biosimilar market.

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note No. 4F Annual Impairment assessment (CDMO-1 business and intangible assets under development): (Contd..)

Further, the percentage movement in key assumptions that (individually) would be required to reach the point at which the value in use approximates its carrying value is given below:

- Increase in discount rate by 16.88 % (December 31, 2022: 15.37%)
- Increase in discount rate by 16.08% and nil terminal growth rate (December 31, 2022: 13.36%)

Following the annual impairment assessment, the management re-evaluated its estimates and assumptions used in impairment assessment based on its review of current indicators of future economic conditions. Based on such assessment, the management concluded that no significant changes to aforesaid estimates and assumptions were necessary and the Company expects to recover carrying values of such assets as at March 31, 2024.

### Note No. 5 Financial asset - Security Deposits

₹ in Million

Particulars	As at March 31, 2024		As at March 31, 2023	
	Current	Non- Current	Current	Non- Current
Security Deposits - unsecured, considered good	-	41.11	-	100.30
<b>Total</b>	-	<b>41.11</b>	-	<b>100.30</b>

\* Includes security deposit given to related parties (refer note 32)

### Note No. 6 Other assets

₹ in Million

Particulars	As at March 31, 2024		As at March 31, 2023	
	Current	Non- Current	Current	Non- Current
<b>Unsecured, considered good:</b>				
- Capital advances	-	183.52	-	112.85
- Balances with government authorities	-	-	-	12.74
- VAT/CST refund receivable	-	-	-	595.98
- GST credit & other receivable	-	545.66	-	-
- TDS receivable	137.33	-	25.28	-
- Advances to vendors	115.12	-	33.13	-
- Advances to employees	4.33	-	1.75	-
- Prepaid expenses	31.13	7.99	10.82	24.21
<b>Unsecured, considered doubtful:</b>				
- Advances to vendors	144.01	-	144.01	-
- Less : Allowance for doubtful advances	(144.01)	-	(144.01)	-
	-	-	-	-
<b>Total</b>	<b>287.91</b>	<b>737.17</b>	<b>70.98</b>	<b>745.78</b>

### Note No. 7 Inventories

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials	726.81	731.77
Consumables	556.97	658.00
Less : Provision for Inventory Obsolescence	(1,171.47)	(58.20)
<b>Total</b>	<b>112.31</b>	<b>1,331.57</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note No. 7 Inventories (Contd..)

#### Inventories relating to Sputnik Light Vaccine

The Company and the Russian Direct Investment Fund (RDIF, Russia's sovereign wealth fund) had entered into a manufacturing and supply agreement to produce Russian Sputnik Vaccines during FY 2020-21. The agreement between RDIF and the Company was reached under the aegis of Enso Healthcare LLP, RDIF's coordination partner for sourcing Sputnik vaccines in India. The above tactical opportunity with Sputnik Light's take or pay contract with RDIF did not fructify due to geopolitical conflicts between Russia and Ukraine and subsequent sanctions on Russia.

During the current year, the Company has made provision of balance inventories (including GST inputs credit on such inventories) of ₹ 1,159.21 million in the absence of any immediate alternate usage for these inventories.

### Note No. 8 Investments

₹ in Million

Particulars	As at March 31, 2024			As at March 31, 2023		
	Qty	Amount		Qty	Amount	
		Current	Non Current		Current	Non Current
<b>Other Investments (carried at fair value through profit and loss)</b>						
Equity shares, unquoted						
AMP Energy C&I Private Limited®	3,79,100	-	3.79	-	-	-
<b>Compulsory Convertible Debentures</b>						
AMP Energy C&I Private Limited@	34,119	-	34.12	-	-	-
<b>Investments carried at fair value:</b>						
<b>Mutual Funds, quoted</b>						
SBI Overnight Fund Direct Growth®®	-	-	-	12,333	45.00	-
SBI Magnum Ultra Short Duration Fund Direct Growth®®	28,495	157.92	-	-	-	-
<b>Total</b>	<b>4,41,714</b>	<b>157.92</b>	<b>37.91</b>	<b>12,333</b>	<b>45.00</b>	<b>-</b>
Aggregate amount of quoted investments	28,495	157.92	-	12,333	45.00	-
Aggregate amount of unquoted investments	4,13,219	-	37.91	-	-	-
Aggregate amount of market value of investments	28,495	157.92	-	12,333	45.00	-

®During the current year, the Company has invested an amount of ₹ 37.91 million in AMP Energy C&I Private Limited pursuant to Power Purchase Agreement and Securities Subscription and Shareholder's Agreement dated September 27, 2023. The Company's investment represents 10.13% ownership on fully diluted basis of the AMP Energy C&I Private Limited and the investment is in accordance with Electricity Act 2003 which stipulates consumer partners to have atleast 26% ownership in the electricity generating entity together with the other consumer partners. The Company's ownership is purely to meet the regulatory requirement and hence the Company has not consolidated the share of profit or loss of AMP Energy C&I Private Limited for the financial year March 31, 2024.

®®The balances that meet the definition of cash and cash equivalents as per IndAS 7 Cash flow statement is (including liquid mutual funds of ₹ 157.92 million (As at March 31, 2023 : ₹ 45 million).

### Note No. 9A Trade receivables

₹ in Million

Particulars	As at March 31, 2024		As at March 31, 2023	
	Current	Non- Current	Current	Non- Current
<b>Trade receivables (unsecured)</b>				
Considered good	552.39	-	38.22	-
Considered doubtful	-	-	-	-
	<b>552.39</b>	<b>-</b>	<b>38.22</b>	<b>-</b>
Provision for loss allowance	-	-	-	-
<b>Total</b>	<b>552.39</b>	<b>-</b>	<b>38.22</b>	<b>-</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note No. 9A Trade receivables (Contd..)

Movement in provision for loss allowance is as follows:

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance	-	-
Provision for loss allowance	-	6.78
Written off during the year	-	(6.78)
<b>Closing Balance</b>	-	-

₹ in Million

Particulars	Not Due	Outstanding for following periods from due date of payment					As at March 31, 2024
		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	403.87	77.91	57.92	6.48	6.18	0.03	552.39
(ii) Undisputed Trade receivables -considered doubtful	-	-	-	-	-	-	-
	<b>403.87</b>	<b>77.91</b>	<b>57.92</b>	<b>6.48</b>	<b>6.18</b>	<b>0.03</b>	<b>552.39</b>

₹ in Million

Particulars	Not Due	Outstanding for following periods from due date of payment					As at March 31, 2023
		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	22.87	14.10	1.03	0.19	-	0.03	38.22
(ii) Undisputed Trade receivables -considered doubtful	-	-	-	-	-	-	-
	<b>22.87</b>	<b>14.10</b>	<b>1.03</b>	<b>0.19</b>	-	<b>0.03</b>	<b>38.22</b>

### Note No. 9B Other financial assets

₹ in Million

Particulars	As at March 31, 2024		As at March 31, 2023	
	Current	Non- Current	Current	Non- Current
- Receivable towards sale of multimodal facility (refer note 34)				
Considered good	50.00	-	-	-
Considered doubtful	50.00	-	-	-
	100.00	-	-	-
Provision for doubtful debts	(50.00)	-	-	-
<b>Total</b>	<b>50.00</b>	-	-	-

### Note No. 10A Cash and cash equivalents

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	0.03	0.66
Balances with banks		
- in current accounts	64.69	49.08
<b>Total</b>	<b>64.72</b>	<b>49.74</b>
The balances that meet the definition of cash and cash equivalents as per IndAS 7 Cash flow statement is (including liquid mutual funds of ₹ 157.92 million) (as at March 31, 2023 : ₹ 45 million)	222.64	94.74

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note No. 10B Other balances with banks

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Balance held as margin money:</b>		
- against borrowing facilities with banks	538.56	748.53
<b>Total</b>	<b>538.56</b>	<b>748.53</b>

### Note No. 11A Equity Share Capital

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Authorised</b>		
50,000,000 Equity shares of ₹1/- each with voting rights (50,000,000 Equity shares of ₹1/- each with voting rights as on March 31, 2023)	50.00	50.00
	<b>50.00</b>	<b>50.00</b>
<b>Issued, subscribed and fully paid up</b>		
40,023,816 Fully paid equity share of ₹1/- (40,023,816 Equity shares of ₹1/- each with voting rights as on March 31, 2023)	40.02	40.02
<b>Issued, subscribed and partly paid up</b>		
1,522,694 Partly paid equity share of ₹0.05/- (1,522,694 Partly paid equity share of ₹0.05/- as on March 31, 2023)	0.08	0.08
<b>Total</b>	<b>40.10</b>	<b>40.10</b>

#### (i) Reconciliation of the number of shares and amount outstanding

Particulars	Opening Balance	Issue of shares during the year	Closing Balance
Equity shares of ₹ 1/- each with voting rights Year ended March 31, 2024			
No. of Shares	4,00,23,816	-	4,00,23,816
Amount ₹ in Million	40.02	-	40.02
Partly paid equity shares of ₹ 0.05/- each Year ended March 31, 2024			
No. of Shares	15,22,694	-	15,22,694
Amount ₹ in Million	0.08	-	0.08
Equity shares of ₹ 1/- each with voting rights Year ended March 31, 2023			
No. of Shares	2,98,96,810	1,01,27,006	4,00,23,816
Amount ₹ in Million	29.90	10.12	40.02
Partly paid equity shares of ₹ 0.05/- each Year ended March 31, 2023			
No. of Shares	91,99,470	(76,76,776)	15,22,694
Amount ₹ in Million	0.46	(0.38)	0.08

The Company has only once class of equity shares having a par value of ₹1/- each. The holder of equity shares is entitled to one vote per share.



## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note No. 11A Equity Share Capital (Contd..)

#### (ii) Shares held by promoters at the end of the year:

Name of shareholder	No. of shares at the beginning of the year			Change during the year	As at March 31, 2024				% Change during the year
	Fully paid Equity Shares	Partly paid equity shares	Number of shares		Fully paid Equity Shares	Partly paid equity shares	Number of shares	%	
Tenshi Pharmaceuticals Private Limited	44,50,021	5,22,694	59,72,715	-	44,50,021	15,22,694	59,72,715	14.38%	0.00%
Karuna Business Solutions LLP	66,13,370	-	66,13,370	-	66,13,370	-	66,13,370	15.92%	0.00%

Name of shareholder	No. of shares at the beginning of the year			Change during the year	As at March 31, 2023				% Change during the year
	Fully paid Equity Shares	Partly paid equity shares	Number of shares		Fully paid Equity Shares	Partly paid equity shares	Number of shares	%	
Tenshi Pharmaceuticals Private Limited	40,01,400	19,71,315	59,72,715	-	44,50,021	15,22,694	59,72,715	14.92%	0.00%
Karuna Business Solutions LLP	-	53,88,255	53,88,255	12,25,115	66,13,370	-	66,13,370	16.52%	3.06%

#### (iii) Details of equity shares held by each shareholder holding more than 5% of shares:

₹ in Million

Name of shareholder	As at March 31, 2024		As at March 31, 2023	
	Number of shares	%	Number of shares	%
Strides Pharma Science Limited	1,10,89,320	26.69%	1,10,89,320	26.69%
Tenshi Pharmaceuticals Private Limited	59,72,715	14.38%	59,72,715	14.38%
Karuna Business Solutions LLP	66,13,370	15.92%	66,13,370	15.92%
Medella Holdings Pte Ltd	64,11,305	15.43%	64,11,305	15.43%
Route One Fund I, L.P	26,87,200	6.47%	26,87,200	6.47%
TIMF Holdings	25,16,700	6.06%	25,16,700	6.06%

### Note No. 11B Other equity

₹ in Million

Particulars	Note no.	As at March 31, 2024	As at March 31, 2023
Securities premium account	A (i)	22,039.62	22,039.62
Retained earnings	A (ii)	(18,201.74)	(14,284.78)
Share based payment reserve	A (iii)	79.15	59.59
<b>Total</b>		<b>3,917.03</b>	<b>7,814.43</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note No. 11B Other equity (Contd..)

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(A) Reserves and surplus</b>		
<b>(i) Security premium account</b>		
Opening balance	22,039.62	16,401.78
Add: Premium on equity shares issued during the year	-	5,637.84
<b>Closing balance</b>	<b>22,039.62</b>	<b>22,039.62</b>
<b>(ii) Retained earnings</b>		
Opening balance	(14,284.78)	(6,307.35)
Add: Loss for the year	(3,656.97)	(4,156.45)
Add: Loss on Discontinuing Operations	(254.68)	(3,841.85)
Add: Remeasurements of post employment benefit obligations - Recognised as other comprehensive income	(5.25)	4.75
Add: Exchange differences in translating the financial statements of foreign operations	(0.06)	16.12
<b>Closing balance</b>	<b>(18,201.74)</b>	<b>(14,284.78)</b>
<b>(iii) Share based payment reserve</b>		
Opening balance	59.59	-
Add: Charge for the year	19.56	59.59
<b>Closing balance</b>	<b>79.15</b>	<b>59.59</b>
<b>Total reserves and surplus</b>	<b>3,917.03</b>	<b>7,814.43</b>

#### Nature and purpose of reserves

- (a) **Securities Premium** : Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.
- (b) **Retained Earnings** : Retained earnings are the profits that the Company has earned till date, less any transfers to other reserves, dividends or other distributions paid to its equity shareholders.
- (c) **Share based payment reserve** : The fair value of the equity-settled share based payment transactions with employees is recognised in statement of profit and loss with corresponding credit to employee stock options outstanding account. The amount of cost recognised is transferred to share premium on exercise of the related stock options.

### Note No. 12 Non-current borrowings

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Secured:</b>		
- Term loans from banks (Refer note 1 below)	121.04	2,848.75
<b>Un-secured:</b>		
- Non convertible debentures	2,099.70	500.00
- Loans from related parties (refer note 32)	495.18	-
<b>Total</b>	<b>2,715.92</b>	<b>3,348.75</b>
Current maturities of non-current borrowings (including working capital loan)	2,905.72	5,018.16
<b>Total</b>	<b>5,621.64</b>	<b>8,366.91</b>

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

## Note No. 12 Non-current borrowings (Contd..)

### Note 1

#### Details of security and terms of repayment of non-current borrowings

₹ in Million

Terms of repayment and security - Loan 1 (USD) (Refer note 2 below)	As at March 31, 2024	As at March 31, 2023
Non-current borrowings	-	434.60
Current maturities of non-current borrowings	-	288.77
Security: The said loan is secured by first pari passu charge of movable and immoveable assets of the Company including current assets and pledge of 30% shares in the Company held by Strides Pharma Science Limited. Rate of interest: 3 month LIBOR + 365 bps per annum Repayment to be made over 28 equal quarterly instalments. The Company has prepaid the outstanding balance during the year. (March 31, 2023: 10 instalments) Strides Pharma Science Limited has provided corporate guarantee for the said loan.		

₹ in Million

Terms of repayment and security - Loan 2	As at March 31, 2024	As at March 31, 2023
Non-current borrowings	-	194.49
Current maturities of non-current borrowings	194.49	110.21
Security: The said loan is secured by first pari passu charge of movable and immoveable assets of the Company including current assets and pledge of 30% shares in the Company held by Strides Pharma Science Limited. Rate of interest: I Base rate 9.35% + spread of 0.8% which is reset by lender at the end of every 12 months Repayment to be made over 28 equal quarterly instalments. The outstanding term as at March 31, 2024 are 7 instalments (March 31, 2023: 11 instalments) Strides Pharma Science Limited has provided corporate guarantee for the said loan.		

₹ in Million

Terms of repayment and security - Loan 3	As at March 31, 2024	As at March 31, 2023
Non-current borrowings	-	879.97
Current maturities of non-current borrowings	878.89	380.60
Security: The said loan is secured by first pari passu charge of movable and immoveable assets of the Company including current assets. Rate of interest: 9.55% linked to 3M IBL MCLR. MCLR to be reset on annual basis. Repayment to be made over 20 equal quarterly instalments. The outstanding term as at March 31, 2024 are 9 instalments. (March 31, 2023: 13 instalments). The loan is supported by corporate guarantee of Strides Pharma Science Limited.		

₹ in Million

Terms of repayment and security - Loan 4	As at March 31, 2024	As at March 31, 2023
Non-current borrowings	-	-
Current maturities of non-current borrowings	-	512.73
Security: The said loan was secured by first pari passu charge of movable and immoveable assets of the Company Rate of interest: Repo rate + Spread 1.5%. Repayment to be made over 16 equal monthly instalments. The Company has repaid the outstanding balance during the year. (March 31, 2023 : 3 instalments) The loan is supported by corporate guarantee of Strides Pharma Science Limited.		

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note No. 12 Non-current borrowings (Contd..)

₹ in Million

Terms of repayment and security - Loan 5	As at March 31, 2024	As at March 31, 2023
Non-current borrowings	25.21	52.71
Current maturities of non-current borrowings	27.50	27.50
Security: The said loan was secured by first pari passu charge of movable and immoveable assets of the Company Rate of interest: I-MCLR-1Y (marginal cost of fund based lending rate) plus Spread 1%. Spread will be reset by Bank at the end of every year Repayment to be made over 48 equal monthly instalments. The outstanding term as at March 31, 2024 are 23 instalments. (March 31, 2023: 35 installments). The loan is supported by National Credit Guarantee Trustee Company		

₹ in Million

Terms of repayment and security - Loan 6	As at March 31, 2024	As at March 31, 2023
Non-current borrowings	-	409.52
Current maturities of non-current borrowings	409.50	270.91
Security: The said loan was secured by first pari passu charge of movable and immoveable assets of the Company Rate of interest: 8.75% and the interest will be reset by the lender on annual basis Repayment to be made over 16 equal quarterly instalments. The outstanding term as at March 31, 2024 are 6 instalments. (March 31, 2023: 10 installments) The loan is supported by corporate guarantee of Strides Pharma Science Limited.		

₹ in Million

Terms of repayment and security - Loan 7	As at March 31, 2024	As at March 31, 2023
Non-current borrowings	-	546.84
Current maturities of non-current borrowings	-	1,374.78
Security: The said loan was secured by first pari passu charge of movable and immoveable assets of the Company Rate of interest: 7.50% and 0.55% above 6 M MCLR Repayment to be made over 24 equal monthly instalments. The Company has prepaid the outstanding balance during the year. (March 31, 2022: 17 installments) The loan is supported by corporate guarantee of Strides Pharma Science Limited.		

₹ in Million

Terms of repayment and security - Loan 8	As at March 31, 2024	As at March 31, 2023
Non-current borrowings	-	185.79
Current maturities of non-current borrowings	-	63.70
Security: The said loan was secured by first pari passu charge of movable and immoveable assets of the Company and pledge of 30% shares in the Company held by Strides Pharma Science Limited. Rate of interest: Long term minimum lending rate plus 30 basis points per annum subject to a cap of 9.25%. Repayment to be made over 48 equal monthly instalments. The Company has prepaid the outstanding balance during the year. (March 31, 2023: 47 installments)		

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note No. 12 Non-current borrowings (Contd..)

₹ in Million

Terms of repayment and security - Loan 9	As at March 31, 2024	As at March 31, 2023
Non-current borrowings	95.83	145.83
Current maturities of non-current borrowings	50.00	50.00
Security: The said loan was secured by first pari passu charge of movable and immoveable assets of the Company Rate of interest: 7.25% and Spread 1% and the interest rate and spread will be reset by Bank at the end of every year Repayment to be made over 48 equal monthly instalments. The outstanding term as at March 31, 2024 are 35 instalments. (March 31, 2023: 47 instalments)		

₹ in Million

Terms of repayment and security - Non-convertible debentures - NCD 1	As at March 31, 2024	As at March 31, 2023
Non-current borrowings	500.00	500.00
Current maturities of non-current borrowings	-	-
Security: Debentures are unsecured in nature and are backed by the personal guarantee of Mr. Arun Kumar Pillai. Rate of interest: 2.5% p.a with a maturity premium payable at the time of redemption such that IRR to the lender is 7% p.a inclusive of coupon payments made. Repayment on 40 <sup>th</sup> month from the date of allotment (i.e. July 03, 2023)		

₹ in Million

Terms of repayment and security - Non-convertible debentures - NCD 2	As at March 31, 2024	As at March 31, 2023
Non-current borrowings	67.50	-
Current maturities of non-current borrowings	-	-
Security: Debentures are unsecured in nature. The debentures are backed by the personal guarantee of Mr. Arun Kumar Pillai. Rate of interest: 4 % p.a with a maturity premium payable at the time of redemption such that IRR to the lender is 13% p.a inclusive of coupon payments made. Repayment on 36 <sup>th</sup> month from the date of allotment (i.e November 29, 2023)		

₹ in Million

Terms of repayment and security - Non-convertible debentures - NCD 3	As at March 31, 2024	As at March 31, 2023
Non-current borrowings	83.00	-
Current maturities of non-current borrowings	-	-
Security: Debentures are unsecured in nature. The debentures are backed by the personal guarantee of Mr. Arun Kumar Pillai. Rate of interest: 4 % p.a with a maturity premium payable at the time of redemption such that IRR to the lender is 13% p.a inclusive of coupon payments made. Repayment on 36 <sup>th</sup> month from the date of allotment (i.e. December 01, 2023)		

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note No. 12 Non-current borrowings (Contd..)

₹ in Million

Terms of repayment and security - Non-convertible debentures - NCD 4	As at March 31, 2024	As at March 31, 2023
Non-current borrowings	-	-
Current maturities of non-current borrowings	250.00	-
Security: Debentures are unsecured in nature. The debentures are backed by the personal guarantee of Mr. Arun Kumar Pillai and corporate guarantee of Strides Pharma Science limited. Rate of interest: 17% p.a with a maturity premium payable at the last date of twelve months commencing from date of allotment of the NCDs Repayment on 12 <sup>th</sup> month from the date of allotment (i.e. July 11, 2023)		

₹ in Million

Terms of repayment and security - Non-convertible debentures - NCD 5	As at March 31, 2024	As at March 31, 2023
Non-current borrowings	-	-
Current maturities of non-current borrowings	250.00	-
Security: Debentures are unsecured in nature. The debentures are backed by the personal guarantee of Mr. Arun Kumar Pillai & Corporate guarantee of Strides Pharma Science Limited Rate of interest: 17% p.a with a maturity premium payable at the last date of twelve months commencing from date of allotment of the NCDs Repayment on 12 <sup>th</sup> month from the date of allotment (i.e. July 13, 2023)		

₹ in Million

Terms of repayment and security - Non-convertible debentures - NCD 6	As at March 31, 2024	As at March 31, 2023
Non-current borrowings	-	-
Current maturities of non-current borrowings	250.00	-
Security: Debentures are unsecured in nature. The debentures are backed by the personal guarantee of Mr. Arun Kumar Pillai & Corporate guarantee of Strides Pharma Science Limited Rate of interest: 17% per annum payable at the last date of twelve months commencing from date of allotment of the NCDs Repayment on 12 <sup>th</sup> month from the date of allotment (i.e. July 13, 2023)		

₹ in Million

Terms of repayment and security - Non-convertible debentures - NCD 7	As at March 31, 2024	As at March 31, 2023
Non-current borrowings	-	-
Current maturities of non-current borrowings	500.00	-
Security: Debentures are unsecured in nature. The debentures are backed by the personal guarantee of Mr. Arun Kumar Pillai & Corporate guarantee of Strides Pharma Science Limited Rate of interest: 18% p.a, Interest payable last day of each quarterly period Repayment on 12 <sup>th</sup> month from the date of allotment (i.e. May 31, 2023)		

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

## Note No. 12 Non-current borrowings (Contd..)

₹ in Million

Terms of repayment and security - Non-convertible debentures - NCD 8	As at March 31, 2024	As at March 31, 2023
Non-current borrowings	1,449.20	-
Current maturities of non-current borrowings	-	-
Security: Debentures are unsecured in nature. The debentures are backed by the personal guarantee of Mr. Arun Kumar Pillai & Corporate guarantee of Strides Pharma Science Limited Rate of interest: 12.50% p.a, Interest payable last day of every month Repayment of 50% of the outstanding amount on 24 <sup>th</sup> month and remaining amount on 32 <sup>nd</sup> month from the date of allotment (i.e. March 1, 2024)		

₹ in Million

Loan from Related Party 1	As at March 31, 2024	As at March 31, 2023
Loan from Related Party	90.00	-
Security: The loan from related party is unsecured in nature. Rate of interest: 16.75% p.a. Repayment : Repayable within 6 months from the date of first drawn and at any time prior to the full repayment, the Lender may at its sole option and discretion, request the Borrower to convert all of the outstanding Loan Amount into non-convertible debentures ("NCD") and the tenure of the NCD is 6 months from the subscription date.		
Security: Debentures are unsecured in nature. The debentures are backed by the personal guarantee of Mr. Arun Kumar Pillai & Corporate guarantee of Strides Pharma Science Limited Rate of interest: 12.50% p.a, Interest payable last day of every month Repayment of 50% of the outstanding amount on 24 <sup>th</sup> month and remaining amount on 32 <sup>nd</sup> month from the date of allotment (i.e. March 1, 2024)		

₹ in Million

Loan from Related Party 2	As at March 31, 2024	As at March 31, 2023
Loan from Related Party	495.18	-
Security: The loan from related party is unsecured in nature. Rate of interest: 15.40% p.a. Repayment : Repayable in full and shall be repaid on or before completion of 5 years from the date of first draw down (i.e. June 28, 2023) on such other date as may be mutually agreed by the parties.		
Security: Debentures are unsecured in nature. The debentures are backed by the personal guarantee of Mr. Arun Kumar Pillai & Corporate guarantee of Strides Pharma Science Limited Rate of interest: 12.50% p.a, Interest payable last day of every month Repayment of 50% of the outstanding amount on 24 <sup>th</sup> month and remaining amount on 32 <sup>nd</sup> month from the date of allotment (i.e. March 1, 2024)		

₹ in Million

Working capital Loan	As at March 31, 2024	As at March 31, 2023
Working capital loan - repaid in full during the year	-	983.96
<b>Total Borrowings (refer note 1 below)</b>	<b>5,616.30</b>	<b>8,367.91</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note No. 12 Non-current borrowings (Contd..)

#### Note 1

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
Disclosed under non-current borrowings		
- Term loan from Banks	121.04	2,849.75
- Non-convertible debentures	2,099.70	500.00
- Loan form related parties	495.18	-
Disclosed under current borrowings		
- Current maturities of non-current borrowings	1,560.38	3,079.20
- Non convertible debentures	1,250.00	-
- Working capital loan	-	983.96
- Loan form related parties	95.34	955.00
<b>Total</b>	<b>5,621.64</b>	<b>8,367.91</b>

The Company has requested temporary relaxations for compliance with the financial covenants from the lenders for the years ended March 31, 2024 as these have not been met related to the above mentioned Loan 2, Loan 3 and Loan 6. Pending approval from lenders, the Company has classified the entire outstanding amount as current borrowings as loan agreement provides for call back if financial covenants are breached.

#### Note 12A:

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

₹ in Million

Particulars	As at April 01, 2023	Cash changes	Non-cash changes	As at March 31, 2024
Current and Non-current borrowings	8,367.91	(2,807.02)	60.75	5,621.64
Interest accrued	88.16	(1,032.79)	1,144.66	200.03
Lease liabilities	275.29	(65.63)	(119.57)	90.09
<b>Total</b>	<b>8,731.36</b>	<b>(3,905.44)</b>	<b>1,085.84</b>	<b>5,911.76</b>

₹ in Million

Particulars	As at April 01, 2022	Cash changes	Non-cash changes	As at March 31, 2023
Current and Non-current borrowings	11,542.71	(3,326.39)	151.59	8,367.91
Interest accrued	32.20	(1,052.91)	1,108.87	88.16
Lease liabilities	272.20	(85.10)	88.19	275.29
<b>Total</b>	<b>11,847.11</b>	<b>(4,464.40)</b>	<b>1,348.65</b>	<b>8,731.36</b>

### Note No. 13 Lease liabilities

₹ in Million

Particulars	As at March 31, 2024		As at March 31, 2023	
	Current	Non- Current	Current	Non- Current
- Lease liabilities (refer note 30)	6.87	83.22	64.14	211.15
<b>Total</b>	<b>6.87</b>	<b>83.22</b>	<b>64.14</b>	<b>211.15</b>



## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note No. 14 Provisions

₹ in Million

Particulars	As at March 31, 2024		As at March 31, 2023	
	Current	Non- Current	Current	Non- Current
<b>Provision for employee benefits:</b>				
- Gratuity (refer note 29)	4.44	23.96	2.61	21.50
- Compensated absences	38.54	-	33.22	-
<b>Total</b>	<b>42.98</b>	<b>23.96</b>	<b>35.83</b>	<b>21.50</b>

### Note No. 15 Current borrowings

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
	Current	Current
<b>Term loan from Banks :</b>		
- Current maturities of non-current borrowings (refer note 12)	1,560.38	3,079.20
- Working capital loans	-	983.96
- Non convertible debentures	1,250.00	-
<b>Term loan from Others :</b>		
- Loans from related parties (Refer Note 32)	95.34	955.00
<b>Total</b>	<b>2,905.72</b>	<b>5,018.16</b>

### Note No. 16 Trade payables

₹ in Million

Particulars	As at March 31, 2024		As at March 31, 2023	
	Current	Non- Current	Current	Non- Current
- Total outstanding dues of micro and small enterprises	144.46	-	170.99	-
- Total outstanding dues of creditors other than micro and small enterprises	665.77	-	777.21	-
<b>Total</b>	<b>810.23</b>	<b>-</b>	<b>948.20</b>	<b>-</b>

₹ in Million

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				As at March 31, 2024
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
			(i) MSME	-	7.29	101.54	
(ii) Others	128.55	61.52	186.34	96.86	132.22	60.28	665.77
	<b>128.55</b>	<b>68.81</b>	<b>287.88</b>	<b>122.90</b>	<b>141.81</b>	<b>60.28</b>	<b>810.23</b>

₹ in Million

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				As at March 31, 2023
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
			(i) MSME	-	8.57	143.30	
(ii) Others	181.55	56.02	469.99	68.95	0.07	0.63	777.21
	<b>181.55</b>	<b>64.59</b>	<b>613.29</b>	<b>88.07</b>	<b>0.07</b>	<b>0.63</b>	<b>948.20</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note No. 16 Trade payables (Contd..)

Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

₹ in Million

Particulars	As at	As at
	March 31, 2024	March 31, 2023
(i) Principal amount remaining unpaid to any suppliers as at the end of the accounting year*	274.98	420.99
(ii) Interest due thereon remaining unpaid to any suppliers as at the end of the accounting year	12.53	42.02
(iii) The amount of interest paid along with the amounts of the payment made to the suppliers beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	23.12	13.47
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	95.74	60.09
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act	-	-

\*Principal amount remaining unpaid to suppliers include ₹ 130.52 million (as at March 31, 2023 : ₹ 250 million) towards capital creditors

### Note No. 17 Other financial liabilities

₹ in Million

Particulars	As at	As at
	March 31, 2024	March 31, 2023
	Current	Current
- Interest accrued but not due on borrowings	104.29	28.07
- Interest accrued on delayed payments to MSME vendors	95.74	60.09
- Creditors for capital supplies/services	631.72	1,677.15
- Deposits from Customers	187.64	-
- Payable to related parties (refer note 32)	548.96	200.23
<b>Total</b>	<b>1,568.35</b>	<b>1,965.54</b>

\*Creditors for capital supplies/services include ₹ 130.52 million (as at March 31, 2023 : ₹ 250 million) payable towards to MSME vendors

### Note No. 18 Other liabilities

₹ in Million

Particulars	As at	As at
	March 31, 2024	March 31, 2023
	Current	Current
- Advance from customers	864.60	541.76
- Statutory dues	47.58	18.97
- Grant from Biotechnology Industry Research Assistance Council	59.55	59.55
<b>Total</b>	<b>971.73</b>	<b>620.28</b>

### Note No. 19 Revenue from operations

₹ in Million

Particulars	Year ended	Year ended
	March 31, 2024	March 31, 2023
Sale of services - contract manufacturing and development fees	1,719.19	387.14
<b>Total</b>	<b>1,719.19</b>	<b>387.14</b>

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

## Note No. 19 Revenue from operations (Contd..)

### 19.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

#### Revenues by Geography

₹ in Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
India	1,183.16	266.11
Rest of the world	536.03	121.03
<b>Total revenues by Geography</b>	<b>1,719.19</b>	<b>387.14</b>

Geographical revenue is allocated based on the location of the customers

### 19.2 Contract balances

₹ in Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Trade receivables*	552.39	38.22
Contract liabilities**	864.60	541.76

\* Trade receivables are non-interest bearing.

\*\* Contract liabilities are shown as advance from customers (refer note 18)

### 19.3 Set out below is the amount of revenue recognised from:

₹ in Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Amount included in contract liabilities at the beginning of the year	178.43	46.40

## Note No. 20 Other income

₹ in Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest income on financial assets at amortised cost	17.65	12.60
Interest Income on Tax Refund	-	2.07
Unwinding of discount on security deposit	1.52	1.12
Profit on sale of investments	7.57	1.15
Scrap sales	15.51	0.89
Proceeds from insurance claim against property, plant and equipment	-	9.03
Sundry Creditors written off	-	0.06
<b>Total</b>	<b>42.25</b>	<b>26.92</b>

## Note No. 21 Cost of materials consumed

₹ in Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening stock	1,331.57	1,708.42
Add: Purchases	598.90	447.59
Less: Closing stock	112.31	1,331.57
<b>Total</b>	<b>1,818.16</b>	<b>824.44</b>
Less: Disclosed under discontinued operations	-	(620.33)
Less: Inventories written-off/provision disclosed as exceptional items (refer note 26)	(1,113.07)	-
<b>Cost of materials consumed</b>	<b>705.09</b>	<b>204.11</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note No. 22 Employee benefit expenses

₹ in Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries and wages	686.79	742.82
Less : Amount included in the cost of qualifying assets	(5.17)	(176.82)
	<b>681.62</b>	<b>566.00</b>
Contributions to provident and other funds	44.23	31.77
Staff welfare expenses	48.20	70.65
Share based payment expenses	19.56	59.59
<b>Total</b>	<b>793.61</b>	<b>728.01</b>

### Note No. 23 Finance costs

₹ in Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest on borrowings (including exchange differences regarded as an adjustment to borrowing costs)	643.13	398.29
Less : Amount included in the cost of qualifying assets	(6.60)	(30.35)
	<b>636.53</b>	<b>367.94</b>
Interest expense on loan from related party	172.88	2.91
Interest on lease liability	8.93	6.45
Other borrowing cost - Guarantee commission, Bank charges etc	40.49	74.39
Interest on delayed payment to MSME vendors	35.65	23.76
<b>Total</b>	<b>894.48</b>	<b>475.45</b>

### Note No. 24 Depreciation and amortisation expenses

₹ in Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation on Property, plant and equipment (Refer Note 4A)	771.28	1,025.22
Depreciation on Right to use assets (Refer Note 4B)	41.83	73.98
Amortisation on Intangible assets (Refer Note 4D)	140.67	41.81
<b>Amount charged to Statement of profit and loss</b>	<b>953.78</b>	<b>1,141.01</b>
under continuing operations	762.93	656.80
under discontinued operations	190.85	484.21

### Note No. 25 Other Expenses

₹ in Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Power & Fuel	201.30	200.85
Rates and taxes	95.64	8.78
Rent	26.85	10.84
Insurance	44.88	52.22
Repairs and maintenance:		
- Machinery	50.47	37.36
- Others	96.57	94.96
Manpower service	26.02	35.57
Housekeeping service	42.86	48.39
Freight and forwarding	3.98	82.89
Business promotion	5.04	10.44
Travelling and conveyance	9.09	11.52
Exchange fluctuation loss (net)	5.75	91.59

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note No. 25 Other Expenses (Contd..)

₹ in Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Printing and stationery	6.38	6.52
Communication	8.30	7.84
Security Charges	10.63	10.99
Office expense	1.02	2.09
Loss on sale of asset	58.08	-
Write-off of Property, Plant and Equipment	-	7.11
Boarding and lodging	2.38	8.73
Support service charges	229.63	138.14
Legal and professional fees	153.45	169.78
Auditors remuneration (refer note (i) below)	13.02	4.45
Regulatory charges	2.55	3.24
Gardening Charges	-	0.11
Water Charges	2.94	4.61
Gas Charges	1.30	-
Advance written off	0.73	5.26
Miscellaneous expenses	4.02	7.61
<b>Total</b>	<b>1,102.88</b>	<b>1,061.89</b>

#### Note:-

#### (i) Auditor's remuneration comprises (net of taxes) for:

₹ in Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Audit of standalone and consolidated financial statements (including quarterly limited reviews)	3.75	3.75
Audit / review of special purpose financial information	4.75	-
Audit fees of subsidiaries	0.66	0.41
Other services / certification services	3.50	0.12
Reimbursement of expenses	0.36	0.17
<b>Total</b>	<b>13.02</b>	<b>4.45</b>

### Note No. 26 Exception items

₹ in Million

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Provision related to Inventories (including GST inputs credits thereon) (refer note (i) below)	1,159.42	-
Write-off related to Inventories and other related balances of Akston Project (refer note (ii) below)	-	491.05
Intangibles under development written-off (refer note (iii) below)	-	953.20
<b>Total</b>	<b>1,159.42</b>	<b>1,444.25</b>

#### Note (i) :

The Company and the Russian Direct Investment Fund (RDIF, Russia's sovereign wealth fund) had entered into a manufacturing and supply agreement to produce Russian Sputnik Vaccines during FY 2020-21. The agreement between RDIF and the Company was reached under the aegis of Enso Healthcare LLP, RDIF's coordination partner for sourcing Sputnik vaccines in India. The above tactical opportunity with Sputnik Light's take or pay contract with RDIF did not fructify due to geopolitical conflicts between Russia and Ukraine and subsequent sanctions on Russia.

During the current year, the Company has made provision of balance inventories (including GST inputs credit of ₹ 46.14 million on such inventories) of ₹ 1,159.21 million in the absence of any immediate alternate usage for these inventories.

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note No. 26 Exception items (Contd..)

#### Note (ii):

The Company and Akston Biosciences Corporation entered into the License and Manufacturing Agreement dated October 20, 2021 to develop AKS-452 vaccine. During the previous year, the Company and Akston Bioscience Corporation entered into termination agreement whereby all the licenses granted to the Company are revoked and the Company does not have the right or obligation to commercialize the licensed product. Pursuant to such termination, the Company debited exceptional items of ₹ 491.05 million towards following:

- Write off of Intangibles under development relating to Akston amounting to ₹200.59 million
- Write off Akston inventories amounting to ₹ 146.48 million and
- Allowance for doubtful advances given to Akston Bioscience Corporation ₹ 143.98 million.

#### Note (iii):

Pursuant to impairment assessment, intangibles under development was written off amounting to ₹ 953.20 million towards various products as exceptional items for the year ended 31 March 2023.

**Note No. 27** The Company's Contract Development and Manufacturing (CDMO) unit is set up as Export Oriented Unit (EOU) under Foreign Trade Policy 2015-20. Pursuant to this, the CDMO unit is required to be positive cumulative net foreign exchange earner within a period of five years from the commencement of production (i.e., within September 03, 2024). The management of the Company is confident of achieving the positive cumulative net foreign exchange position within the prescribed timelines.

### Note No. 28 Contingent Liabilities and Capital Commitments (To the extent not provided for)

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances):		
- Property, Plant and equipment	186.63	490.06
<b>Total</b>	<b>186.63</b>	<b>490.06</b>

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
Claims not acknowledged as debts by the Company	11,370.45	11,440.01
<b>Total</b>	<b>11,370.45</b>	<b>11,440.01</b>

- a) Bioplex Pte Ltd, subsidiary of the Company, has received a claim of USD 136.32 million (₹ 11,370.45 million) from Prestige Biopharma Limited (Prestige) which it has not acknowledged as debt. The Company has refuted all claims of Prestige and has communicated its rebuttal vide a formal response, summary of which is given below:

Bioplex Pte Ltd entered into a Term Sheet with Prestige in August 2021 to manufacture Sputnik Light Vaccine. Prestige had claimed that its Korean facility was suitable, operational, and ready for manufacturing the Vaccines, with the first batch due in October 2021. The agreement was executed based on the claims related to their capabilities as represented by Prestige to the Company, while a follow-on contract was subject to a four-way Contract Manufacturing Agreement (CMA) to be executed among the Company, Prestige, Enso (RDIF's logistics partner), and Limited Liability Company "Human Vaccine" (HV), the owners of the Intellectual Property for Sputnik Light Vaccine.

Based on the representations made by Prestige and considering that due to Covid-19 as travel was not allowed, the Company could not audit and inspect the facilities of Prestige as should be in the ordinary course of a contract of this nature. Acting in good faith, the Company, through its affiliate, paid USD 13,632,000 to Prestige on 17 August 2021, a reservation fee (Capacity Fee) for the capacity that Prestige claimed to have. Prestige also executed a letter of guarantee (Guarantee Letter) dated 16<sup>th</sup> August 2021, guaranteeing the prompt refund of the Advance Amount in case no manufacturing occurs within the agreed timelines.

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note No. 28 Contingent Liabilities and Capital Commitments (To the extent not provided for) (Contd..)

In September 2021, Prestige informed the Company it would like to execute the CMA among Prestige, Enso, and the Company while awaiting the final contract that would include HV. Only a restricted virtual audit and prerecorded videos were provided by Prestige, which were insufficient to complete the site qualification. As the three-way CMA had set the revised production schedule for the Vaccines commencing from December 2021, it was obvious that Prestige was not ready with the facilities they claimed they had or would be made available when they had sought the Capacity Fees from the Company. This is further corroborated by the fact that even as of 27 December 2021, Prestige had not completed the qualification of the facility, which was a pre-requisite for any manufacturing activities. In the email from Prestige dated 1 September 2021, Prestige recorded having the Drug Product (DP) facility ready for installation by December 2021 and qualification scheduled by December 2021/ January 2022. Further, during the project calls and on 16 November 2021, prestige informed the Company that the DP facility was not ready and that they would be finding a third-party DP site, clearly demonstrating that the previous representations were false.

The Company was also given to understand that the representatives from the HV had visited the manufacturing facility of Prestige, but no cell banks were provided to Prestige for the reasons best known to HV. In any viral vector production (Sputnik Light in this case), it is impossible to start the production without the availability of the Cell Banks.

Consequently, the Company was compelled to terminate the CMA on account of the issues mentioned above and sought the refund of Capacity Fees for which Prestige has issued the Guarantee Letter. At this time, Prestige attempted to raise an unjustifiable claim against the Company seeking USD 11,690,622 on account of procurement, storage fee, and technology transfer activities when none of these activities could have been commenced without the cell banks except for the storage of inventory provided by the Company in anticipation of manufacturing. As per the CMA, all materials were to be supplied by the Company, and at no time, Prestige had the need or authorization from the Company to procure any material, as it was clear that they were not ready for manufacturing nor did they have access to cell banks from HV.

Additionally, Prestige vide its letter dated 20 September 2022, has claimed that it suffered loss and damage due to the CMA contract being terminated by the Company. Through a letter dated 3 January 2023, Prestige's lawyers, TKQP Advocates, and Solicitors (TKQP), Prestige claimed that it had suffered a loss of profits estimated to be at least USD 136.32 million (₹ 11,339.10 million). However, the loss of profits and indirect losses are specifically excluded from liabilities under the contract. Prestige nor its lawyer have provided any background on how they arrived at this loss and justified why they are entitled to it. Therefore these are arbitrary numbers and frivolous. None of these are payable or legally due under any of the terms of the CMA.

The Company has already taken legal recourse through DSK Legal to refute the claims that are false, baseless, and misconceived and has sought a 100% refund of the Capacity fee paid to Prestige.

The Company firmly believes that the claim is without any merit in law as :

- Prestige's facility was never ready to meet its commitments as agreed in the CMA.
- The Company never agreed with Prestige on the procurement of raw materials. Further, the Cell bank, the first input material for the production of vaccines, was never available from HV. Without cell banks, there was no need to procure any other raw materials. Without raw materials, Prestige could not have manufactured anything for Stelis. Yet they claim the cost of manufacture.
- Quantity, items, and value of Raw Material procurements were neither discussed nor accepted by Stelis. Prestige cannot procure Raw Materials on their own without Stelis' consent.
- Prestige and the Company never agreed on any project management or tech transfer fees, which are baseless claims. Analytical Tech Transfer was not even commenced because cell banks were unavailable, nor was the site ready.
- Manufacturing Process Tech Transfer was also not done or completed.

In the letter dated January 3, 2023, from TKQP, Prestige sought a meeting to resolve these issues for which the Company had to designate its officer and respond to their request within ten days. The Company immediately accepted the request. On January 17, 2023, Prestige issued a Notice of Mediation and proposes that parties submit a request to the Singapore International Mediation Centre and resolve the matter. However, the mediation did not succeed in resolving the issue. On

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note No. 28 Contingent Liabilities and Capital Commitments (To the extent not provided for) (Contd..)

June 05, 2023, Prestige has referred the matter to arbitration in accordance with the applicable arbitration rules under Singapore International Arbitration Centre (SIAC) at Singapore. Currently, this matter is pending before SIAC. The Company firmly believes that the claim from Prestige has no legal merit and that claims are frivolous.

- (b) During the previous year, the Company had received claim from vendor amounting to ₹ 227.62 million towards pending take off of Sputnik related inventories by the Company. During the current year, pursuant to the proposal, the parties have agreed for the settlement for ₹ 110 million and paid by the Company.
- (c) During the previous year, the Company had received claim from vendor amounting to ₹ 30.75 million towards pending payments against the purchase of materials from the vendor. The Company had accepted the claim to extent of ₹25.23 million and the remaining amount of ₹ 5.52 million was not acknowledged as debt by the company. During the year, the Vendor has agreed the claim amount for ₹ 25.23 million and the same is paid by the Company.

### Note No. 29 Employee Benefits Plans

#### Defined contribution plan

The Company makes contributions to provident fund and employee state insurance schemes which are defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll cost to fund the benefits. During the current year, the Company recognised ₹ 36.49 million (previous year: ₹ 30.56 Million) (including discontinued operations) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

#### Defined benefit plan

The Company operates a gratuity plan, a defined employee benefit scheme covering qualifying employees. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

The said benefit plan is exposed to actuarial risks such as longevity risk and salary risk.

Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

₹ in Million

Particulars	Valuation as at	
	March 31, 2024	March 31, 2023
Discount rate(s)	7.17%	7.30%
Expected rate(s) of salary increase	10.00%	10.00%
Mortality Rate	As per IALM (2012-14) ultimate	As per IALM (2012-14) ultimate
Retirement age (years)	58 years	58 years



## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note No. 29 Employee Benefits Plans (Contd..)

Amounts recognised in Statement of Profit and loss and in other comprehensive income in respect of this defined benefit plans are as follows:

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Service cost:</b>		
Current service cost	7.53	8.83
Net interest expense	1.66	1.41
<b>Components of defined benefit costs recognised in statement of profit and loss</b>	<b>9.19</b>	<b>10.24</b>
<b>Remeasurement on the net defined benefit liability:</b>		
Actuarial (gains) / losses arising from changes in financial assumptions	0.20	(1.12)
Actuarial (gains) / losses arising from experience adjustments	5.05	(3.63)
Components of defined benefit costs recognised in other comprehensive income	5.25	(4.75)
<b>Total</b>	<b>14.44</b>	<b>5.49</b>

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss. The remeasurement of the net defined benefit liability is included in other comprehensive income.

The above amounts are of including the discontinued operations.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of funded defined benefit obligation	33.40	24.11
Fair value of plan assets	(5.00)	-
<b>Funded status</b>	<b>28.40</b>	<b>24.11</b>
Restrictions on asset recognised	-	-
<b>Net liability arising from defined benefit obligation</b>	<b>28.40</b>	<b>24.11</b>
Current liability	4.44	2.61
Non-current liability	23.96	21.50

Movements in the fair value of plan assets:

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
Opening fair value of plan assets	-	-
<b>Remeasurement (gains)/losses</b>		
Remeasurement return on plan assets (excluding amounts included in net interest expense)	-	-
Contribution from employer	5.00	-
Actuarial (gains) / losses on plan assets	-	-
Benefits paid	-	-
<b>Closing fair value of plan assets</b>	<b>5.00</b>	<b>-</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note No. 29 Employee Benefits Plans (Contd..)

Movements in the present value of the defined benefit obligation are as follows:

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
Opening defined benefit obligation	24.11	22.95
<b>Expenses Recognised in statement of profit and loss</b>		
Current service cost	7.53	8.83
Interest cost	1.66	1.41
Acquisition / Divestiture	(1.13)	-
<b>Remeasurement (gains)/losses</b>		
Actuarial (gains) / losses arising from changes in financial assumptions	0.20	(1.11)
Actuarial (gains) / losses arising from experience adjustments	5.05	(3.63)
Benefits paid	(4.02)	(4.33)
<b>Closing defined benefit obligation</b>	<b>33.40</b>	<b>24.11</b>

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

₹ in Million

Principal assumption	Changes in assumption	Gratuity		
		Impact on defined benefit obligation		
		Increase in assumption	Decrease in assumption	
Discount rate	Year ended March 31, 2024	100bps	(1.49)	1.62
	Year ended March 2023	100bps	(1.15)	1.27
Salary growth rate	Year ended March 31, 2024	100bps	1.35	(1.31)
	Year ended March 2023	100bps	1.14	(1.07)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

There has been no change in the process used by the Company to manage its risks from prior periods.

Expected future Cash outflows towards the plan are as follows-

₹ in Million

Financial Year	Amount
Year 1	4.44
Year 2	4.44
Year 3	5.91
Year 4	4.68
Year 5	4.25
Years 6 to 10	15.55

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 March 31, 2024, the Group has incurred an expense on compensated absences amounting to 18.10 million (March 31, 2023 : ₹ 18.45 million). 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 forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note No. 30 Leases

Company as a lessee : The Company has entered into lease arrangements for land and office buildings. Refer Note 2.6 for the accounting policies adopted by Company respectively in respect of Ind AS 116.

#### Movement in lease liabilities during the year:

##### Lease liabilities

₹ in Million

Particulars	March 31, 2024	March 31, 2023
Opening balance	275.29	272.20
Additions	32.26	60.97
Interest	19.99	27.22
Derecognised on disposal of business	(171.82)	-
Lease payments	(65.63)	(85.10)
<b>Closing balance</b>	<b>90.09</b>	<b>275.29</b>
Current	6.87	64.14
Non-current	83.22	211.15

₹ in Million

Maturity analysis of lease liabilities	March 31, 2024			March 31, 2023		
	1 year	1 to 5 years	More than 5 years	1 year	1 to 5 years	More than 5 years
Land	7.26	26.84	-	-	-	-
Factory Building	6.62	30.68	49.92	85.82	212.20	58.27

#### 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).

### Note No. 31 Loss per Share

₹ in Million

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit / (Loss) for continuing operations after tax attributable to equity holders of the Company (A) (₹ in Million)	(3,656.97)	(4,156.45)
Weighted average number of equity shares used as denominator in calculating basic loss per share (B)	4,15,46,510	3,98,18,561
Weighted average number of equity shares used as denominator in calculating diluted loss per share (C)	4,15,46,510	3,98,18,561
Basic loss per share (₹) (A/B)	(88.02)	(104.38)
Diluted loss per share (₹) (A/C)	(88.02)	(104.38)
Profit / (Loss) for discontinued operations after tax attributable to equity holders of the Company (A) (₹ in Million)	(254.68)	(3,841.85)
Weighted average number of equity shares used as denominator in calculating basic loss per share (B)	4,15,46,510	3,98,18,561
Weighted average number of equity shares used as denominator in calculating diluted loss per share (C)	4,15,46,510	3,98,18,561
Basic loss per share (₹) (A/B)	(6.13)	(96.49)
Diluted loss per share (₹) (A/C)	(6.13)	(96.49)
Profit / (Loss) after tax attributable to equity holders of the Company (A) (₹ in Million)	(3,911.65)	(7,998.30)

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note No. 31 Loss per Share (Contd..)

₹ in Million

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Weighted average number of equity shares used as denominator in calculating basic loss per share (B)	4,15,46,510	3,98,18,561
Weighted average number of equity shares used as denominator in calculating diluted loss per share (C)	4,15,46,510	3,98,18,561
Basic loss per share (₹) (A/B)	(94.15)	(200.87)
Diluted loss per share (₹) (A/C)	(94.15)	(200.87)

During the current year and in the previous year, the Group has incurred losses and the diluted loss per share for the current and previous year is anti-dilutive and hence the basic and diluted loss per share are the same.

### Note No. 32 Related Party Listing :

Nature of Relationship	Name of Related Party
Entity exercising significant influence	Strides Pharma Science Limited
	Tenshi Pharmaceuticals Private Limited
	Medella Holdings Pte Ltd
Other related parties:	Arcolab Pvt Limited
	Naari Pharma Private Limited
	Chayadeep Properties Private Limited
	Steriscience Pte Limited
	Fairmed Healthcare GmbH
	Strides Pharma Inc
	Solara Active Pharma Sciences Limited
	Strides Pharma Science Pty Limited
	Strides Pharma Uk Ltd
	Strides Pharma (Cyprus) Limited
Key Management Personnel – Managing Director	Neeraj Sharma (w.e.f March 01, 2024)
Key Management Personnel – Non - Executive Director	Arun Kumar Pillai
Key Management Personnel – Chairman & Non - Executive Director	Aditya Puri (upto March 29, 2023)
Key Management Personnel – Independent Director	A K Viswanathan (upto Mar 29 <sup>th</sup> , 2023)
Key Management Personnel – Independent Director	Vineeta Rai (upto Mar 14 <sup>th</sup> , 2023)
Key Management Personnel – CFO & Executive Director	Kannan Radhakrishnan Pudhucode
Key Management Personnel – Non - Executive Director	Ankur Nand Thadani (upto August 16, 2023)
Key Management Personnel – Non - Executive Director	Bhushan Bopardikar (w.e.f August 14, 2023)
Key Management Personnel – Non - Executive Director	Mahadevan Narayanamoni
Key Management Personnel – Non - Executive Director	Yogita Hatangadi (w.e.f May 04, 2023 and upto January 16, 2024)
Key Management Personnel – Independent Director	Gopakumar Gopalan Nair (w.e.f May 04, 2023)
Key Management Personnel – Independent Director	Rajashri Ojha (w.e.f May 04, 2023)
Key Management Personnel – Company Secretary	Puja Aggarwal (Upto March 14, 2023)
Key Management Personnel – Company Secretary	Allada Trisha (w.e.f March 14, 2023)

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

## Note No. 32 Related Party Listing : (Contd..)

Details of transaction between the Company and its related parties are disclosed below:

₹ in Million

Nature of transactions	Entities having significant influence over Company		Other related parties		Key Managerial Personnel	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
<b>Revenue from operations</b>						
<b>Sale of Material</b>						
Strides Pharma Science Limited	-	0.14	-	-	-	-
<b>Sale of services</b>						
Strides Pharma Science Limited	-	5.46	-	-	-	-
Steriscience Pte Limited	-	-	93.41	5.85	-	-
<b>Sale of services - Passthrough</b>						
Steriscience Pte Limited	-	-	42.14	32.54	-	-
Steriscience Specialties Pvt Ltd	-	-	0.41	15.81	-	-
<b>Sale of asset</b>						
Strides Pharma Science Limited	6.64	-	-	-	-	-
<b>Guarantee Commission considered as borrowing cost</b>						
Strides Pharma Science Limited	48.78	59.49	-	-	-	-
Tenshi Pharmaceuticals Private Limited	0.13	-	-	-	-	-
Steriscience Specialties Pvt Ltd	-	-	0.10	-	-	-
<b>Rental expenses</b>						
Arcolab Private Limited	-	-	-	0.09	-	-
Chayadeep Properties Private Limited	-	-	6.24	5.89	-	-
Strides Pharma Science Limited	-	-	-	-	-	-
<b>Support Service charges</b>						
Tenshi Pharmaceuticals Private Limited	1.49	8.01	-	-	-	-
Strides Pharma Science Limited	56.03	-	-	-	-	-
Steriscience Specialties Pvt Ltd	-	-	39.00	-	-	-
Arcolab Pvt Limited	-	-	170.51	130.06	-	-
<b>Purchase of Material</b>						
Steriscience Specialties Pvt Ltd	-	-	0.83	0.61	-	-
Solara Active Pharma Sciences Limited	-	-	0.69	0.49	-	-
Strides Pharma Science Limited	36.89	-	-	-	-	-
<b>Advance from / (repaid)</b>						
Chayadeep Properties Private Limited	-	-	-	103.50	-	-
Chayadeep Properties Private Limited	-	-	-	(103.50)	-	-
<b>Advance taken / (repaid)</b>						
Strides Pharma Science Limited	-	-	-	25.00	-	-
Strides Pharma Science Limited	-	-	-	(25.00)	-	-
Arcolab Private Limited	-	-	-	95.00	-	-
Arcolab Private Limited	-	-	-	(95.00)	-	-
<b>Loans taken/(repaid)</b>						
Arcolab Private Limited	-	-	707.59	36.00	-	-
Arcolab Private Limited	-	-	(207.59)	(36.00)	-	-
Tenshi Pharmaceuticals Private Limited	1,832.00	975.00	-	-	-	-
Tenshi Pharmaceuticals Private Limited	(2,697.00)	(20.00)	-	-	-	-
Tenshi Healthcare Pte Ltd	-	-	3.70	-	-	-
Tenshi Life Science Pte Ltd	-	-	1.64	-	-	-

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note No. 32 Related Party Listing : (Contd..)

₹ in Million

Nature of transactions	Entities having significant influence over Company		Other related parties		Key Managerial Personnel	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
<b>Interest expense on loan taken</b>						
Arcolab Private Limited	-	-	59.46	0.42	-	-
Tenshi Pharmaceuticals Private Limited	113.17	2.49	-	-	-	-
<b>Equity/Preference shares contribution to the Company (including securities premium)</b>						
Tenshi Pharmaceuticals Private Limited	-	236.54	-	-	-	-
Arcolab Private Limited	-	-	-	970.09	-	-
Medella Holdings Pte Ltd	-	800.00	-	-	-	-
Karuna Business Solutions LLP	-	-	-	3,640.96	-	-
<b>Reimbursement of expenses</b>						
Strides Pharma Science Limited	0.23	10.61	-	-	-	-
Tenshi Pharmaceuticals Private Limited	9.30	6.15	-	-	-	-
Arcolab Pvt Limited	-	-	8.71	4.18	-	-
Strides Pharma Inc	-	-	21.51	33.21	-	-
Strides Pharma Science Pty Limited	-	-	-	9.21	-	-
Fairmed Healthcare GmbH	-	-	2.10	-	-	-
Strides Pharma UK Ltd	-	-	1.44	8.27	-	-
Strides Pharma (Cyprus) Limited	-	-	5.58	4.24	-	-
<b>Purchase of property, plant and equipment</b>						
Strides Pharma Science Limited	-	0.97	-	-	-	-
Arcolab Private Limited	-	-	-	0.06	-	-
Security Deposits						
Arcolab Private Limited	-	-	-	0.09	-	-
Chayadeep Properties Private Limited	-	-	-	4.42	-	-
<b>Employee cost:</b>						
Kannan Radhakrishnan Pudhucode	-	-	-	-	24.46	22.48
Neeraj Sharma	-	-	-	-	2.67	-
Puja Aggarwal	-	-	-	-	-	3.68
Allada Trisha	-	-	-	-	1.64	1.10
Sitting fees paid to directors						
Aditya Puri	-	-	-	-	0.20	1.20
Vineeta Rai	-	-	-	-	0.10	1.60
Viswanathan AK	-	-	-	-	0.20	1.60
Rajashri Ojha	-	-	-	-	3.20	-
Gopakumar Nair	-	-	-	-	3.60	-

### Closing Balance

₹ in Million

Nature of Balances	Entities having significant influence over Company		Other related parties		Key Managerial Personnel	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>Other Payables</b>						
Strides Pharma Science Limited	143.34	52.20	-	-	-	-
Tenshi Pharmaceuticals Private Limited	118.30	7.66	-	-	-	-
Arcolab Pvt Limited	-	-	198.90	80.28	-	-
Strides Pharma Inc	-	-	31.16	41.38	-	-

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

## Note No. 32 Related Party Listing : (Contd..)

₹ in Million

Nature of Balances	Entities having significant influence over Company		Other related parties		Key Managerial Personnel	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Steriscience Specialties Pvt Ltd	-	-	43.99	3.35	-	-
Chayadeep Properties Private Limited	-	-	0.61	0.53	-	-
Solara Active Pharma Sciences Limited	-	-	0.84	0.24	-	-
Strides Pharma Science Pty Limited	-	-	6.22	9.21	-	-
Strides Pharma Uk Ltd	-	-	-	1.26	-	-
Fairmed Healthcare GmbH	-	-	2.10	-	-	-
Strides Pharma (Cyprus) Limited	-	-	4.24	4.24	-	-
<b>Security Deposits</b>						
Arcolab Private Limited	-	-	0.09	0.09	-	-
Chayadeep Properties Private Limited	-	-	4.42	4.42	-	-
<b>Trade Receivables</b>						
Steriscience Pte Limited	-	-	113.44	0.17	-	-
Steriscience Specialties Pvt Ltd	-	-	-	2.35	-	-
Strides Pharma Science Limited	6.18	0.17	-	-	-	-
<b>Loan payable</b>						
Tenshi Pharmaceuticals Private Limited	90.00	955.00	-	-	-	-
Arcolab Private Limited	-	-	500.00	-	-	-
Tenshi Healthcare Pte Ltd	-	-	3.70	-	-	-
Tenshi Life Science Pte Ltd	-	-	1.64	-	-	-
<b>Advance from customer</b>						
Steriscience Pte Limited	-	-	12.14	-	-	-

## Note No. 33 Financial instruments

### 33.1 Categories of financial instruments

₹ in Million

Particulars	March 31, 2024	March 31, 2023
<b>Financial assets:</b>		
<b>Measured at amortised cost</b>		
(a) Trade receivables	552.39	38.22
(b) Cash and bank balances	603.28	798.27
(c) Other financial assets at amortised cost	41.11	100.30
<b>Financial liabilities:</b>		
<b>Measured at amortised cost</b>		
(a) Investments	157.92	45.00
<b>Measured at amortised cost</b>		
(a) Long term Borrowings	2,715.92	3,348.75
(b) Short term borrowings	2,905.72	5,018.16
(c) Lease Liabilities	90.09	275.29
(d) Trade payables	810.23	948.20
(e) Other financial liabilities	1,568.35	1,965.54

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

## Note No. 33 Financial instruments (Contd..)

### 33.2 Fair value measurements

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

#### Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within 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 assets or liabilities that are not based on observable market data (unobservable inputs).

#### 33.2.1 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The management assessed that the carrying value of financial assets and financial liabilities (except borrowings) approximate the fair value in both of the years presented.

The below table summarises the borrowings which are measured at amortised cost and for which fair values are disclosed, with corresponding carrying values:

₹ in Million

Particulars	March 31, 2024		March 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial liabilities:</b>				
Borrowings	5,621.64	5,695.23	8,366.91	8,426.95

### 33.3 Financial risk management objectives

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

#### 33.3.1 Foreign currency risk management

The Company is exposed to foreign exchange risk due to:

- debt availed in foreign currency
- exposure arising from transactions relating to purchases, revenues, expenses, etc., to be settled (within and outside the group) in currencies other than the functional currency of the respective entities

The carrying amount of the Company's foreign currency denominated monetary liabilities (payables) and assets (receivables) as at the end of reporting period are as under:

₹ in Million

Amount receivable/(payable)	March 31, 2024		March 31, 2023	
	In foreign Currency	In INR	In foreign Currency	In INR
USD	(6.73)	(512.34)	(28.01)	(2,302.68)
EUR	(0.18)	(15.74)	(0.80)	(71.87)
GBP	0.01	1.43	(0.12)	(12.17)
SGD	(0.16)	(9.59)	(0.05)	(2.94)
AED	0.00	0.09	0.00	0.04
CHF	(0.01)	(0.96)	(0.02)	(1.58)
RUB	(1.29)	(1.29)	(1.29)	(1.29)



# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

## Note No. 33 Financial instruments (Contd..)

### 33.3.2 Foreign currency sensitivity analysis

Financial instruments affected by changes in foreign exchange rates include External Commercial Borrowings (ECBs) and payables to vendors. The Company considers US Dollar and the Euro to be principal currencies which require monitoring and risk mitigation. The impact on account of 5% appreciation / depreciation in the exchange rate of the above foreign currencies against INR is given below. The impact of exposure to other currencies is negligible.

₹ in Million

Particulars	Increase / (Decrease) in Profit	
	March 31, 2024	March 31, 2023
Appreciation in the USD	(25.62)	(115.13)
Depreciation in the USD	25.62	115.13
Appreciation in the EUR	(0.79)	(3.59)
Depreciation in the EUR	0.79	3.59

The impact on profit has been arrived at by applying the effects of appreciation / depreciation effects of currency on the net position (Assets in foreign currency - Liabilities in foreign currency) in the respective currencies.

For the purposes of the above table, it is assumed that the carrying value of the financial assets and liabilities as at the end of the respective financial years remains constant thereafter. The exchange rate considered for the sensitivity analysis is the exchange rate prevalent as at March 31, 2024.

The sensitivity analysis might not be representative of inherent foreign exchange risk due to the fact that the foreign exposure at the end of the reporting period might not reflect the exposure during the year.

### 33.3.3 Interest rate risk management

Interest rate risk arises from borrowings. Debt issued at variable rates exposes the company to cash flow risk. The company mitigates its interest rate risk by entering into interest rate Swap contracts. Debt issued at fixed rate exposes the company to fair value risk.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

₹ in Million

Particulars	March 31, 2024	March 31, 2023
<b>Fixed-rate instruments</b>		
Financial assets		
Balance with banks held as margin money	538.56	748.53
	<b>538.56</b>	<b>748.53</b>
<b>Variable-rate instruments</b>		
Financial liabilities		
Borrowings from banks	5,621.64	8,366.91
	<b>5,621.64</b>	<b>8,366.91</b>

### 33.4 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit Risk to the company primarily arises from trade receivables. Credit risk also arises from cash and cash equivalents, financial instruments and deposits with banks and financial institutions and other financial assets.

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note No. 33 Financial instruments (Contd..)

#### 33.5 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual short term and long term cash flows, and by matching the maturity profiles of financial assets and liabilities.

##### 33.5.1 Liquidity analysis for Non-Derivative Liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Financial Liabilities	Due within (years)						Total	Carrying Amount
	1	1 to 2	2 to 3	3 to 4	4 to 5	beyond 5		
<b>Bank &amp; other borrowings</b>								
- As on March 31, 2024	3,354.18	1,446.24	894.81	-	-	-	5,695.23	5,621.64
- As on March 31, 2023	5,552.26	1,765.36	905.10	204.23	-	-	8,426.95	8,366.91
<b>Interest payable on borrowings</b>								
- As on March 31, 2024	104.29	-	-	-	-	-	104.29	104.29
- As on March 31, 2023	28.07	-	-	-	-	-	28.07	28.07
<b>Lease Liabilities</b>								
- As on March 31, 2024	13.88	14.64	15.44	16.29	11.16	49.92	121.33	90.09
- As on March 31, 2023	85.82	98.80	98.09	7.43	7.88	58.27	356.29	275.29
<b>Trade and other payable</b>								
- As on March 31, 2024	2,274.29	-	-	-	-	-	2,274.29	2,274.29
- As on March 31, 2023	2,885.67	-	-	-	-	-	2,885.67	2,885.67

₹ in Million

### Note No. 34 Discontinued Operations

During the year, for strategic business reasons, the Company entered into a Business Transfer Agreement dated September 01, 2023 (Amendment to Business Transfer Agreement dated December 01, 2023 and December 21, 2023) with Syngene International Limited for sale of its unit 3- Multimodal facility on a slump sale basis for a consideration of ₹ 6,161.41 million. The transaction recommended by Board of Directors is approved by shareholders in the Extra-Ordinary General Meeting held on July 04, 2023.

The transaction is completed during the year.

₹ in Million

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Revenue	35.35	23.60
Other Income	16.67	19.73
<b>Total revenue from discontinued operations (I)</b>	<b>52.02</b>	<b>43.33</b>
Depreciation and amortisation expense	190.85	484.21
Other expenses charged-off to the Statement of Profit and Loss	555.95	1,398.73
Exceptional items gain / (loss) (net)	161.52	2,002.24
<b>Total expenses from discontinued operations (II)</b>	<b>908.32</b>	<b>3,885.18</b>
<b>Loss from discontinued operations (III = I - II)</b>	<b>(856.30)</b>	<b>(3,841.85)</b>

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

## Note No. 34 Discontinued Operations (Contd..)

₹ in Million

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Gain / (loss) on disposal of:		
- Unit 3 Multimodal Facility	601.62	-
<b>Net gain / (loss) on disposal of businesses (IV)</b>	<b>601.62</b>	<b>-</b>
<b>Loss from discontinued operations before tax (V = III + IV)</b>	<b>(254.68)</b>	<b>(3,841.85)</b>
Attributable income tax expense (VI)	-	-
<b>Loss from discontinued operations after tax (V - VI)</b>	<b>(254.68)</b>	<b>(3,841.85)</b>

### (c) Gain on disposal

Particulars	Amount
Consideration (net of ₹ 50 million of provision) *	6,111.41
Net assets disposed off	5,509.79
<b>Gain on disposal</b>	<b>601.62</b>

\* Purchaser has retained ₹ 100 million which shall be paid post completion of certain closing conditions and the Management has accounted for provision of ₹ 50 million which is management's best estimate of the recoverability of the pending amount.

## Note No. 35 Additional information as required by Paragraph 2 of the General Instructions for preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

As on and for the period ended March 31, 2024

₹ in Million

Name of the entity	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent - Stelis Biopharma Limited	100.45%	3,974.94	99.81%	(3,904.07)	98.87%	(5.25)	99.80%	(3,909.32)
Biolexis Pte Limited	-0.22%	(9.03)	0.16%	(6.45)	1.13%	(0.06)	0.16%	(6.51)
Biolexis Private Limited	-0.22%	(8.78)	0.03%	(1.13)	0.00%	-	0.03%	(1.13)
	<b>100%</b>	<b>3,957.13</b>	<b>100%</b>	<b>(3,911.65)</b>	<b>100%</b>	<b>(5.31)</b>	<b>100%</b>	<b>(3,916.96)</b>

As on and for the year ended March 31, 2023

₹ in Million

Name of the entity	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent - Stelis Biopharma Limited	100.16%	7,867.14	91.65%	(7,330.08)	22.76%	4.75	91.83%	(7,325.33)
Biolexis Pte Limited	-0.03%	(2.28)	8.22%	(657.79)	77.24%	16.12	8.04%	(641.67)
Biolexis Private Limited	-0.13%	(10.33)	0.13%	(10.43)	0.00%	-	0.13%	(10.43)
	<b>100%</b>	<b>7,854.53</b>	<b>100%</b>	<b>(7,998.30)</b>	<b>100%</b>	<b>20.87</b>	<b>100%</b>	<b>(7,977.43)</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note No. 36 Deferred tax asset :

The Parent has recognised the arising deferred tax asset on such losses to the extent of the corresponding deferred tax liability arising on the difference between the book balance of property, plant and equipment and other intangible assets and the written down value of such fixed assets under Income Tax and the provision for the employee benefits. With regard to the balance of the deferred tax assets, in the absence of reasonable certainty that future taxable profits would be available for set off of such deferred tax assets, the Company has not recognized any deferred tax asset as at March 31, 2024.

#### (a) Major components of tax expense/(income) :

Particulars	₹ in Million	
	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Current Income Tax :		
Current income tax expense	-	-
(ii) Deferred Tax :		
Tax expense on origination / reversal of temporary differences	-	-
<b>Income tax expense reported in the Statement of Profit and Loss</b>	<b>-</b>	<b>-</b>

#### (b) Deductible temporary differences for which no deferred tax asset is recognised in the Consolidated Balance Sheet:

Particulars	₹ in Million	
	As at March 31, 2024	As at March 31, 2023
<b>Deferred Tax assets/(liabilities) arising on account of:</b>		
Unabsorbed brought forward losses and unabsorbed depreciation	5,723.78	5,720.14
Deductible temporary difference	(478.07)	(1,440.53)
<b>Net Deferred tax assets not recognised in the Balance Sheet</b>	<b>5,245.71</b>	<b>4,279.61</b>

### Note No. 37 Segment Reporting:

Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker ("CODM") evaluates the Company's performance based on an analysis of various performance indicators. The accounting principles used in the preparation of these financial results are consistently applied to record revenue and non current assets in individual segments

The Company's reportable segment are as follows; "Unit 1 - R&D and Unit 2 : CDMO-1 (Contract Development & Manufacturing Organization) and "Unit-3 : Multimodal Facility and CDMO-2" (divested during the current period refer note 34).

#### (i) Revenue from operations

Particulars	₹ in Million	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Unit 1 - R&D and Unit 2 : CDMO-1	1,719.19	387.14
Unit 3 : Multimodal facility and CDMO - 2	35.35	23.60
<b>Total</b>	<b>1,754.54</b>	<b>410.74</b>

#### (ii) Profit or loss before tax

Particulars	₹ in Million	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Unit 1 - R&D and Unit 2 : CDMO-1	(3,656.97)	(4,156.45)
Unit 3 : Multimodal facility and CDMO - 2	(254.68)	(3,841.85)
<b>Total</b>	<b>(3,911.65)</b>	<b>(7,998.30)</b>

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

## Note No. 37 Segment Reporting: (Contd..)

### (ii) Non-current assets\*

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
Unit 1 - R&D and Unit 2 : CDMO-1	10,544.02	10,145.62
Unit 3 : Multimodal facility and CDMO - 2	-	6,812.34
Unallocated Assets	737.17	745.78
<b>Total</b>	<b>11,281.19</b>	<b>17,703.74</b>

\*Non-current assets do not include financial assets under financial instruments

## Geographical Information

### (i) Revenue from operations

₹ in Million

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
India	1,183.16	266.11
Outside India	536.03	121.03
<b>Total</b>	<b>1,719.19</b>	<b>387.14</b>

### (ii) Revenue from discontinued operations

₹ in Million

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
India	35.35	23.60
Outside India	-	-
<b>Total</b>	<b>35.35</b>	<b>23.60</b>

### (iii) Non-current assets\*

₹ in Million

Particulars	As at March 31, 2024	As at March 31, 2023
India	11,281.19	17,703.74
<b>Total</b>	<b>11,281.19</b>	<b>17,703.74</b>

\*Non-current assets do not include financial assets under financial instruments.

**Note No. 38** The Code on Social Security, 2020 (the Code) has been enacted, which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules are published.

## Note No. 39 Other Statutory Information

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property
- The Company does not have any transactions with companies struck off.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note No. 39 Other Statutory Information (Contd..)

- (e) The Company has no transaction not recorded in the books of accounts 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).
- (f) The Company has borrowings from banks on the basis of security of current assets, the quarterly returns or statements of current assets has been filed by the Company with banks are in agreement with the books of accounts.
- (g) The company has not been declared willful defaulter by any bank or financial Institution or other lender.
- (h) 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:
- 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 to or on behalf of the Ultimate Beneficiaries

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 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,

The Company has not any such transaction which is not recorded in the books of accounts 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).

### Note No. 40 Details of the employee share option plan of the Company:

On May 27, 2021, pursuant to shareholders approval at the extraordinary general meeting held, the Company has declared the ESOPs titled "Stelis ESOP Scheme 2021". Options not exceeding 5% of the paid-up equity capital of the Company on a fully diluted basis are covered under the plan which are convertible into equivalent equal number of equity shares of the Company. The Nomination and remuneration Committee ('NRC') will select and approve eligible Employees to whom Options be granted and to determine number of Options to be granted to an Employee. Options under this program are granted to employees at an exercise price periodically determined by the NRC. All stock options have a four-year vesting term. The options vest and become fully exercisable at the rate of 10% in the first year, 15% in the second year, 25% in the third year and 50% in the fourth year of the vesting period from the date of grant. These options are exercisable within 30 days from the date of intimation by NRC about the occurrence of the Liquidity Event or such other time period as may be determined by the NRC within which the Optionee should Exercise his right to apply for the issue of Shares against the Vested Option pursuant to the Scheme.

Under the employee stock purchase plan of "Stelis ESOP Scheme 2021", employees may purchase shares of Stelis Biopharma at ₹278 subject to terms and conditions of the scheme. On June 7, 2022, October 21, 2022 & January 20, 2023 the Company granted options under said scheme for eligible personnel. The fair market value of the option has been determined using Black Scholes Option Pricing Model. The Company has amortised the fair value of option after applying an estimated forfeiture rate over the vesting period.

#### a) The details of fair market value of the options and the exercise price is as given below:

Grant Date	June 7, 2022	October 21, 2022
Number of options (Nos)	4,42,700	1,06,900
Fair market value of option at grant date (₹)	372.84	372.70
Fair market value of shares per option at grant date (₹)	555.00	555.00
Vesting period	4 years from the grant date	4 years from the grant date
Exercise price (₹)	278.00	278.00

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note No. 40 Details of the employee share option plan of the Company: (Contd..)

Grant Date	January 20, 2023
Number of options (Nos)	65,300
Fair market value of option at grant date (₹)	367.30
Fair market value of shares per option at grant date (₹)	555.00
Vesting period	4 years from the grant date
Exercise price (₹)	278.00

b) Employee stock options details as on the Balance Sheet date are as follows:

(Options in numbers)

Grant Date	As at 31 March, 2024	As at 31 March, 2023
Outstanding at the beginning of the year	4,99,800	-
Granted during the period/year	-	6,14,900
Lapsed/forfeited during the period/year	-2,02,300	-1,15,100
Vested during the period/year	-	-
Exercised during the period/year	-	-
<b>Outstanding at end of the period/year</b>	<b>2,97,500</b>	<b>4,99,800</b>
Exercisable at end of the period/year	2,97,500	4,99,800

c) The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Grant Date	June 7, 2022	October 21, 2022
Number of options	4,42,700	1,06,900
Risk Free Interest Rate	7.08%	7.28%
Exercise period (years)	4.00	4.00
Expected Volatility	49.81%	45.93%
Expected Dividend Yield	0.00%	0.00%

Grant Date	January 20, 2023
Number of options	65,300
Risk Free Interest Rate	7.11%
Exercise period (years)	4.00
Expected Volatility	45.84%
Expected Dividend Yield	0.00%

The company recognised ₹ 19.56 million (previous year: ₹ 59.59 million) towards share based payment expenses in the Statement of Profit and Loss.

Volatility is arrived through annualised standard deviation (market capitalisation weighted) of the daily returns of the equity shares of the specified benchmark companies on the Bombay Stock Exchange with the term equivalent to the expected term of the options.

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

## Note No. 41 Ratio Analysis

	As at March 31, 2024	As at March 31, 2023	Change	Ratios have a variance of >25% due to
<b>Current Ratio - in times (A) / (B)</b>	<b>0.28</b>	<b>0.26</b>	<b>6%</b>	Variance <25% and hence not applicable
Current Assets (A)	1,763.81	2,284.04		
Current Liabilities (B)	6,305.88	8,652.15		
Current Assets is defined as Inventories, Trade receivables, Cash and cash equivalents, Other bank balances, Current loans, Other current financial assets and Other current assets				
Current Liabilities is defined as Current borrowings, Current lease liabilities, Trade payables, Other current financial liabilities, Current provisions, Current tax liabilities and Other current liabilities				
<b>Debt-Equity Ratio - in times (C) / (D)</b>	<b>1.44</b>	<b>1.10</b>	<b>31%</b>	The Company is in losses and hence the ratio has increased.
Debt (C)	5,711.73	8,642.20		
Equity (D)	3,957.13	7,854.53		
Debt is defined as non-current borrowings, current borrowings and lease liability (current and non-current). Equity is defined as Equity share capital and Other equity.				
<b>Debt Service Coverage Ratio - in times (E) / ((F) + (G))</b>	<b>NA</b>	<b>NA</b>		The Company is in losses and hence the debt service coverage ratio is not applicable
Earnings before interest, taxes, depreciation and amortisation is defined as: Profit for the period/year before exceptional items and taxes (add) Depreciation and Amortisation (add) Finance costs (less) interest income				
Debt repayment is defined as actual non-current borrowings repaid during the period/year				
Interest payments is defined as actual interest paid on borrowings during the period/year				
<b>Return on Equity ratio (H) / (I)</b>	<b>-98.85%</b>	<b>-101.83%</b>	<b>-3%</b>	Variance <25% and hence not applicable
<b>Return on Equity ratio (Tangible) (H) / (I)</b>	<b>-98.85%</b>	<b>-101.83%</b>	<b>-3%</b>	
Net profit (H)	(3,911.65)	(7,998.30)		
Equity (I)	3,957.13	7,854.53		
Equity (Tangible) (J)	3,957.13	7,854.53		
Net profit is defined as Profit for the period/year after tax				
Equity is defined as Equity share capital and Other equity.				
Equity Tangible is defined as Equity share capital and Other equity less Goodwill				
<b>Inventory turnover ratio (K) / (L)</b>	<b>0.98</b>	<b>0.12</b>	<b>710%</b>	Increase is due to increase in consumption on account of increase in revenues and decrease in the inventory balances due to write-off.
Cost of goods sold (K)	705.09	246.22		
Average Inventory (L)	721.94	2,043.18		
Cost of goods sold is defined as Consumables during the year				
Average Inventory is defined as average of inventories as at the beginning and as at the end of the period/year.				



## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

### Note No. 41 Ratio Analysis (Contd..)

	As at March 31, 2024	As at March 31, 2023	Change	Ratios have a variance of >25% due to
<b>Trade receivables turnover ratio (M) / (N)</b>	<b>5.94</b>	<b>2.99</b>	<b>99%</b>	Increase is due to increase in revenues during the current period.
Sales Turnover (M)	1,754.54	410.74		
Average Trade receivables (N)	295.31	137.33		
Sales Turnover is defined as Sale of products and Sale of services				
Average Trade receivables is defined as average of Trade receivables as at the beginning and as at the end of the period/year.				
<b>Trade payables turnover ratio (O) / (P)</b>	<b>0.80</b>	<b>0.31</b>	<b>156%</b>	Increase is due to the increase in the consumption during the current period.
Cost of goods sold (O)	705.09	246.22		
Average Trade payables (P)	879.22	785.44		
Cost of goods sold is defined as Consumables during the year				
Average Trade payables is defined as average of Trade payables as at the beginning and as at the end of the period/year.				
<b>Net capital turnover ratio (Q) / (R)</b>	<b>(0.39)</b>	<b>(0.06)</b>	<b>499%</b>	Decrease is due to increase in revenue from operations.
Sales Turnover (Q)	1,754.54	410.74		
Working Capital (R)	(4,542.07)	(6,368.11)		
Sales Turnover is defined as Sale of products and Sale of services				
Equity is defined as Equity share capital and Other equity.				
<b>Net profit ratio (S) / (T)</b>	<b>-215.93%</b>	<b>-1748.64%</b>	<b>-88%</b>	Decrease is due to increase in revenues and decrease in exceptional losses.
Net profit (S)	(3,911.65)	(7,998.30)		
Gross Revenue (T)	1,811.57	457.40		
Net profit is defined as Profit for the period/year after tax				
Gross Revenue is defined as Revenue from operations and other income				
<b>Return on capital employed (U) / (V)</b>	<b>-28.29%</b>	<b>-41.16%</b>	<b>-31%</b>	Decrease is due to increase in revenues and decrease in exceptional losses.
<b>Return on capital employed (Tangible) (U) / (W)</b>				
Earnings Before Interest and Taxes (U)	(2,735.50)	(6,790.67)		
Capital Employed (V)	9,668.86	16,496.73		
Capital Employed Tangible (W)	9,668.86	16,496.73		
Earnings before interest and taxes is defined as: Profit for the period/year before exceptional items and taxes (add) Finance costs (less) interest income				
Capital employed is defined as Equity and Debt				
Capital employed Tangible is defined as Equity and Debt less Goodwill				

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

**Note No. 42** 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 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, audit trail feature was not enabled for certain direct changes to tables at the application level for the period April 1, 2023 to March 31, 2024.
- in respect of a software operated by a third party software service provider used by the Parent 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 Financials Statements for the year ended March 31, 2024.

### Note No. 43 Approval of Consolidated Financial Statements

The Company's Consolidated Financial Statements are approved for issue by the board of directors on May 17, 2024

For and on behalf of Board of Directors

**P R Kannan**

CFO & Executive Director  
DIN : 03435209

Place : Bengaluru  
Date : May 17, 2024

**Neeraj Sharma**

Managing Director  
DIN : 09402652

Place : Bengaluru  
Date : May 17, 2024

**Allada Trisha**

Company Secretary  
Membership Number : A47635

Place : Bengaluru  
Date : May 17, 2024

# NOTICE OF THE 17<sup>th</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the Seventeenth Annual General Meeting ('AGM') of the Shareholders of the Company will be held on **Friday, August 23, 2024 from 17:30 hours IST at the Registered Office of the Company** through video conferencing (VC)/ Other Audio-Visual Means (OAVM) to transact the following business:

## ORDINARY BUSINESS:

### Item 1: Adoption of Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2024

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2024 together with the Reports of the Board of Directors and Auditors thereon.

### Item 2: Adoption of Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2024

To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2024 together with the Reports of the Board of Directors and the Auditors thereon.

### Item 3: Appointment of a Director in place of Mr. Bhushan Bopardikar (DIN: 09089555) who retires by rotation and being eligible, offers himself for re-appointment

Mr. Bhushan Bopardikar (DIN: 09089555), who retires by rotation and being eligible, offers himself for re-appointment as a Non-Executive Director of the Company.

## SPECIAL BUSINESS:

### Item 4: - Approval for remuneration payable to Mr. Anurag Bhagania, Chief Financial Officer of the Company for FY 2024-25

*To consider and if thought fit, to pass the following resolution as a Special Resolution:*

**"RESOLVED** that pursuant to Sections 203 read with other applicable provisions of the Companies Act, 2013 and the provisions of Articles of Association of the Company, the consent of the shareholders of the Company be and is hereby accorded for payment of remuneration, as detailed below to Mr. Anurag Bhagania, Chief Financial Officer of the Company, for the period July 04, 2024 to March 31, 2025, notwithstanding that such remuneration may exceed the limits specified under Section 197 and Schedule V of the Act in case of inadequacy

or absence of profits, calculated in accordance with the applicable provisions of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the remuneration of Anurag shall be as detailed below:

#	Particulars	Remarks
1	Fixed Pay	INR 17.6 Million
2	Performance Bonus	INR 4.40 Million
	<b>Total</b>	<b>INR 22 Million</b>
	Other Benefits	A stock option plan amounting to a total of 30,000 shares of INR 1/- each at an exercise price of INR 278/- per share subject to the terms and conditions of the scheme.

**RESOLVED FURTHER** that the remuneration as set out above shall be continued to be paid as minimum remuneration even in the event of inadequacy or absence of profits during the financial year 2024-25.

**RESOLVED FURTHER** that for the purpose of giving effect to this resolution, Mr. Neeraj Sharma, (DIN:09402652), Managing Director and Ms. Trisha A, Company Secretary of the Company be and are hereby severally authorized to do sign requisite documents and file necessary statutory forms, as per the provisions of the Companies Act 2013 and to do all such acts, deeds to give effect to this resolution."

### Item 5: - Regularisation of the Appointment of Mr. Bharat D Shah as a Non-Executive Non-Independent Director of the Company

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED** that pursuant to the provisions of section 152 and all other applicable provisions of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Mr. Bharat D Shah (DIN: 00136969), who was appointed by the Board of Directors as an Additional Director (Non-Executive Non-Independent) of the Company, with effect from 26<sup>th</sup> July, 2024 under section 161 of the Act and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting of the Company and in respect of whom the Company has

received a Notice in writing from a Member under section 160 of the Act, proposing his candidature for the office of Director of the Company, being so eligible, be appointed as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation.

**RESOLVED FURTHER** that the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other Officer(s) / Authorized Representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**Item 6: Remuneration payable to Mr. M. Ashok Kumar, Cost Auditors of the Company for FY 2024-25**

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

**RESOLVED** that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof), the Company hereby ratifies the remuneration of INR. 300,000/- Lakhs (Rupees Three Lakhs only) plus applicable taxes and reimbursement of out-of-pocket expenses, if any, for the financial year FY 2024-25, payable to Mr. M. Ashok Kumar, Cost Accountant (Registration No.: 102240), who are appointed as Cost Auditors by the Board of Directors to audit the cost records of the Company for FY 2024-25.

**RESOLVED FURTHER** that that Mr. Neeraj Sharma (DIN: 09402652), Managing Director and/or and Ms. Trisha A, Company Secretary of the Company, be and are hereby severally authorised to do all such acts, deeds, matters, things and sign and file all such papers, documents, forms and writings as may be necessary and incidental to the aforesaid resolution.”

By Order of the Board  
**For OneSource Specialty Pharma Limited  
(Formerly Stelis Biopharma Limited)**

Place: Bangalore  
Date: August 01, 2024

Sd/-  
**Trisha A**  
Company Secretary

**Notes:**

- a) Pursuant to the General Circular No. 09/2023 Dated: 25.09.2023, issued by the Ministry of Corporate Affairs (MCA) (hereinafter referred to as “the Circular”), Companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circular, the AGM of the Company is being held through VC.
- b) A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since the AGM is being held in accordance with the Circular through VC, the facility for the appointment of proxies by the members will not be available.
- c) Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.
- d) The corporate members intending to appoint authorized representatives to attend the AGM are requested to send to the company a certified copy of the board resolution authorizing their representative(s) to attend and vote, on their behalf, at the AGM. The said resolution/ authorization is requested to be sent to the email id at: [CS@onesourcecdmo.com](mailto:CS@onesourcecdmo.com)
- e) Route map for the location of the meeting is not provided, as this meeting is convened via video conferencing mode.
- f) The explanatory statement pursuant to section 102 of the companies act, 2013 which sets out details relating to special business at the meeting, is annexed hereto.
- g) Voting at the AGM on resolutions shall be by way of show of hands.
- h) The web-link for attending the AGM via videoconferencing is as under:

Link: <https://us02web.zoom.us/j/88037404821?pwd=golbdat3jTJ1LNwa55a8zRK9lhdMba.1>

Meeting ID: 880 3740 4821

Password: 845569

## EXPLANATORY STATEMENT – PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 READ WITH RULES MADE THERETO

In conformity with the provisions of Section 102(1) of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to the Special Businesses mentioned in the accompanying Notice of the Annual General Meeting of the shareholders of the Company scheduled on Friday, August 23, 2024 from 17:30 hours IST and should be taken as forming part of the Notice.

### Item 4: Approval for ratification of remuneration payable to Mr. Anurag Bhagania (Chief Financial Officer) of the Company for FY 2024-25

Mr. Anurag Bhagania was appointed as the Chief Financial Officer (CFO) of the Company for a term of five years commencing from July 04, 2024.

Pursuant to the provisions of Section 203 of the Companies Act, 2013 read with other applicable provisions of the Companies Act, 2013 and the provisions of Articles of Association of the Company, a Company having inadequate/no profits, may subject to certain conditions including the passing of a special resolution, pay such remuneration to its managerial personnel as may be decided by the Board of Directors on the recommendation of Nomination and Remuneration Committee (NRC). Due to geopolitical impact, it is anticipated that the Company's profits for the financial year ending March 31, 2025, may not be sufficient. Consequently, the remuneration payable to the Chief Financial Officer (CFO) of the Company is expected to surpass the limits prescribed by the relevant provisions of the Companies Act, 2013.

Therefore, approval of the Shareholders of the Company is sought for payment of the remuneration, which shall be continued to be paid as minimum remuneration even in the event inadequacy of profits, to Mr. Anurag Bhagania as Chief Financial Officer (CFO) of the Company for FY 2024-25.

The Resolution at item No.4 of the Notice is set out as a Special Resolution for approval by the members.

Except Mr. Anurag, none of the Directors, Manager, Key Managerial Personnel or their relatives are, in any way, concerned or interested in the said resolutions.

The Board recommends the special resolution as set out in Item no. 4 of this notice for the approval of members.

### Item 5: - Regularisation of the Appointment of Mr. Bharat D Shah as a Non-Executive Non-Independent Director of the Company

The Board of Directors of the Company at its Meeting held on 26<sup>th</sup> July, 2024, has approved the appointment of Mr. Bharat D Shah (DIN: 00136969), as an Additional Director (Non-

Executive and Non-Independent) of the Company with effect from 26<sup>th</sup> July, 2024 to hold office up to the date of the next Annual General Meeting of the Company pursuant to section 161 of the Companies Act, 2013 ("the Act"), and thereafter, subject to the approval of the Members of the Company, as a Non-Executive and Non-Independent Director of the Company, liable to retire by rotation.

The Company has received notice in writing from a Member under section 160 of the Act, proposing his candidature for the office of Director of the Company.

Brief resume of Mr. Shah, age, qualification, nature of his expertise in specific functional areas, is briefed below:

**Profile:** Mr. Bharat D Shah has completed 77 years of age. Presently, he is the Chairman of 3M India Limited and Exide Industries Limited. He is also an independent director with HDFC Credila.

**Education:** Mr. Bharat Shah holds a Bachelor's Degree in Science from University of Mumbai and a Diploma in Applied Chemistry from Borough Polytechnic, London.

#### Career Highlights:

Mr. Shah has a rich experience in the financial services sector and has expertise in the fields of banking, finance, real estate and securities market.

He has been with HDFC Bank since its inception and has played a key role in the formation of the bank. And he joined HDFC Bank as an Executive Director in December 1994.

Mr. Shah is not disqualified from being appointed as Director in terms of section 164 of the Act and has given his consent to act as a Director. He is not debarred from holding the office of Director pursuant to any Order issued by any authority.

The Board is of the view that Mr. Shah's knowledge and experience will be of immense benefit and value to the Company, recommends his appointment to the Members.

Save and except Mr. Shah, and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel ("KMP") of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5 of the Notice. Mr. Shah is not related to any other Director / KMP of the Company.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval of the Members.

**Item 6: Remuneration payable to Mr. M. Ashok Kumar, Cost Auditors of the Company for FY 2024-25**

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board has considered and approved the appointment of Mr. M. Ashok Kumar, Cost Accountants, as Cost Auditors of the Company to conduct the audit of the cost records maintained by the Company for the Financial year ended March 31, 2025, at a remuneration of INR. 300,000/- Lakhs (Rupees Three Lakhs only) plus applicable taxes and out-of-pocket expenses, if any for the aforesaid financial year, as agreed between the Board of Directors of the Company and the Cost Auditors. The said Rules requires the payment of remuneration to be approved by the members.

The Resolution at item No.6 of the Notice is set out as an Ordinary Resolution for approval and ratification by the members in terms of Section 148 of the Companies Act, 2013.

None of the Directors, Manager, Key Managerial Personnel or their relatives are, in any way, concerned or interested in the said resolutions.

The Board recommends the special resolution as set out in Item no. 6 of this notice for the approval of members.

By Order of the Board  
**For OneSource Specialty Pharma Limited**  
**(Formerly Stelis Biopharma Limited)**

Place: Bangalore  
Date: August 01, 2024

Sd/-  
**Trisha A**  
Company Secretary





**OneSource**

**OneSource Specialty Pharma Limited**  
(Formerly Stelis Biopharma Limited)

**(Unit 1)**

Plot # 293, Jigani Link Road  
Bommasandra, Anekal Taluk Bangalore  
– 560 105, Karnataka, India.

**cGMP Manufacturing  
Division (Unit 2)**

Plot # 2-D 1, Obadenahalli,  
Doddaballapura 3<sup>rd</sup> phase, Industrial  
Area, Doddaballapura Taluk Bangalore  
Rural District – 561 203,  
Karnataka, India.

**OneSource Specialty  
Pharma Limited (Registered Office)**

Star 1, Opp IIM Bangalore, Bilekahalli,  
Bannerghatta Road, Bangalore -  
560076, Karnataka, India

