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DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 3rd Annual Report together with the Audited Statement of Accounts of your Company for the financial year ended March 31, 2023.

1. Financial Results

The Financial Performance of the Company during the Financial Year ended March 31, 2023 is given below: -

Particulars	**(Rupees in Millions)**	
	2022-23	**2021-22**
Revenue from operations	3,111.95	674.23
Other Income	55.20	26.90
Total revenue	**3,167.15**	**701.13**
Less: Expenses		
• Expenses before Finance Cost and Depreciation	2,995.11	951.41
• Finance costs	254.35	27.41
• Depreciation and amortization expenses	324.50	107.36
Total Expenses	**3,573.96**	**1,086.18**
Profit/(Loss) Before Tax & Exceptional Items	**(406.81)**	**(385.05)**
Exceptional Items	-	-
Profit/(Loss) Before Tax	**(406.81)**	**(385.05)**
Provision for - Current Tax	-	-
- Deferred [Net] Charge (Credit)	-	-
Profit/ (Loss) after Tax	**(406.81)**	**(385.05)**

2. Business Performance Review

The main objective of the Company is to engage in the business of research and development, manufacture, produce, sell, import, export, distribute, trade, market and deal otherwise in all kinds of pharmaceutical drugs and medicines, bulk drugs, compounds including but not limited to carbapenems; general dry powder Injectables, Ampoules and Liquid vials amongst other dosage formats in India or elsewhere in the world.

During the year under review, your Company has registered a net loss of Rs. 406.81 Million as against net loss Rs. 385.05 in FY 2021-22. The Company is in its ramping up phase being the 3rd year of incorporation and your directors are very confident of Company becoming a major player in Industry in the coming years.

Steriscience Specialties Private Limited

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Steriscience Specialties Private Limited
(Formerly Steriscience Pharma Private Limited)
CIN - U24304KA2020PTC137884
Reg & Corp Off: No. 152/6 and 154/16
Dorasani Palya, Begur Hobli
Bannerghatta Road
Bangalore - 560076, India

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There is no change in the nature of business of the Company during the year.

3. Dividend

The Company being in its initial years of business, your directors do not recommend any dividend for the financial year ended March 31, 2023 and wish to invest into Company's future growth and to facilitate increased earnings in future.

4. Transfer to Reserves

The Company is not proposing to carry any amount to reserves for the financial year ended March 31, 2023.

5. Share Capital

As at March 31, 2023, the authorized capital of the Company stood at Rs. 5,500,000/- (Rupees Fifty-Five Lakhs Only) consisting of 150,000 (One Lakh Fifty Thousand) Equity Shares of Rs. 10/- (Rupees Ten Only) each and 4,00,000 (Four Lakh) Compulsorily Convertible Preference Shares of Rs. 10/- (Rupees Ten Only) each.

The issued, subscribed and paid up capital of the Company as on March 31, 2023 stood at Rs. 187,408.6/- (Rupees One Lakh Eighty Seven Thousand Four Hundred and Eight and decimal point Six Only) divided into 18,736 (Eighteen Thousand Seven Hundred and Thirty Six Only) fully paid up Equity Shares of Rs.10/- (Rupees Ten) each and 486 (Four Hundred and Eighty Six) partly paid Equity Shares of Rs. 0.10/-(Rupees Decimal point One Zero) each having a face value of Rs. 10/-(Rupees Ten Only) each.

During the financial year 2022-23, the Company has allotted equity shares as under:

Sl. No	Date of Allotment	No of Shares	Issue Price (Per share)	Remarks
1.	November 02, 2022	1,257	1,37,815	Issue of Equity Shares on rights issue to Medella Holdings Pte Ltd.
2.	November 18, 2022	486	1,37,815	Issue of Partly Paid Equity Shares on private placement basis through preferential allotment to Tenshi Life Sciences Private Limited.*

Please note that Tenshi Life Sciences Private Limited (TLSPL) has been amalgamated into Tenshi Pharmaceuticals Private Limited(TPPL) w.e.f January 06, 2023 and thereafter any transaction with reference to the TLSPL shall stand substituted with TPPL.

During the financial year 2022-23, the Company has not allotted any Compulsorily Convertible Preference Shares (CCPS).

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Changes in share capital post the close of financial year until the date of report;

There were no changes/ transactions which has occurred between the end of financial year i.e. March 31, 2023 and the date of this report:

6. **Subsidiaries**

As at March 31, 2023 the Company had the following Subsidiaries, Associate/ Investee Companies.

Sl No	Name of the Company	Nature of Relationship
1.	SteriBrooks Penems Private Limited	Subsidiary
2.	Brooks Steriscience Limited	Jointly controlled enterprise

The Company's investment in Optionally Convertible Preference Shares of Brooks Steriscience Limited(BSL) has been converted to equity shares on preferential basis at an issue price of Rs.10,000/- including a premium of Rs.9,990/- per equity shares. Out of which, the balance amount of Rs. 3,500 per share towards paid up share capital was paid during the current year ended 31 Mar 2023.

Accounts of Subsidiaries

The Statement containing salient features of the financial statements of the Company's subsidiaries and Associates as required in Form AOC-1 is enclosed as **Annexure 1** to this report.

7. **Material changes and commitments affecting the financial position of the Company, which have occurred between the end of financial year and the date of this report**

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

8. **The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.**

No application has been filed or proceeding pending under Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.

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

The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions are not applicable.

Steriscience Specialties Private Limited

10. Public Deposit

During the financial year 2022-23, the Company has not accepted or renewed any public deposits in terms of Sections 73 and 74 of the Companies Act, 2013 and the rules framed thereunder.

11. Board of Directors and Key Managerial Personnel

As on March 31, 2023, Mr. Aditya Arun Kumar, Mr. Tarun Kumar Singh, Mr. Ankur Nand Thadani, Mr. Mahadevan Narayanamoni, Mr. Chandrappa Seetharamaiah and Mr. Neeraj Sharma are the Directors of the Company. Also, Mr. Neeraj Sharma holds the position of Chief Executive Officer (CEO).

During the Financial year under review, there were following changes on the Board of Directors of the Company:

- Mr. Neeraj Sharma who was appointed as an Additional Director and CEO of the Company at the Board Meeting held on November 22, 2021 was regularized at the Annual General Meeting held on September 30, 2022.

Changes made in composition of Board from the close of financial year till the date of report:

There were no changes in the composition of Board from the close of financial year under review till the date of report.

12. Meetings of Board

During the year ended March 31, 2023, **10 (Ten)** Board Meetings were duly convened by the Company and the details are as under:

SI No	Date of the meeting	No. of Directors Present
1.	June 27, 2022	5
2.	August 10, 2022	4
3.	August 26, 2022	2
4.	September 14, 2022	4
5.	September 30, 2022	4
6.	October 24, 2022	4
7.	November 17, 2022	3
8.	December 01, 2022	4
9.	February 10, 2023	4
10.	February 27, 2023	4

Number of meetings attended by each of the directors are as below:

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Sl No	Name of the Directors	Number of meetings attended
1.	Tarun Kumar Singh	09
2.	Aditya Arun Kumar	02
3.	C Seetharamaiah	09
4.	Ankur Nand Thadani	01
5.	Mahadevan Narayanamoni	10
6.	Neeraj Sharma	07

13. Risk Management

The Company has a risk management framework for identifying and managing risks. Board of Directors of the Company regularly reviews the framework and amend as and when required.

14. Auditors

The Company in its Annual General Meeting held on October 29, 2021, have appointed M/s. Deloitte Haskins & Sells LLP (DHS), Bengaluru, Chartered Accountants (Firm Registration No. 008072S) as Statutory Auditors of the Company to hold the office till the conclusion of Sixth Annual General Meeting.

15. Audit Report

There are no qualifications, observations or adverse remarks in the Audit Report issued by the Auditors of the Company for the financial year ended March 31, 2023.

16. Particulars of Employees

The statement containing particulars of employees as required under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be open for inspection at the Registered Office of the Company during working hours and any member interested in obtaining a copy of the same may write to the Directors at the registered office of the Company.

17. Vigil Mechanism/Whistle Blower

A complete Vigil Mechanism Policy at Group level of Company is in place. Under this policy employees of the Company can raise concerns over unethical or improper behaviour/ practices or alleged wrongful conduct, violation of applicable laws, frauds, bribery, corruption, employee misconduct, illegality, health, safety & environmental issues or misappropriation of Company funds or assets within the Company or by the Company.

This policy helps in providing a mechanism for personnel to report to the Authority concerns about unethical behaviour, actual or suspected fraud or violation of applicable laws, frauds, bribery, corruption, employee misconduct, illegality, health, safety & environmental issues or misappropriation of Company funds or assets within the Company or by the Company.

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The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

18. Particulars of loans, guarantees or investments by the Company

Particulars of investments made, loans given and guarantees provided in terms of Section 186 of the Companies Act, 2013 during the Financial Year 2022-23 are as per details given below:

(Rs. in Million)

Name of the Entity	Relationship	Investment	Loan	Guarantee	Purpose
Brooks Steriscience Limited	Jointly controlled enterprise	400.72	-	-	Investment
Brooks Steriscience Limited	Jointly controlled enterprise	-	10.2	-	Business Purpose

19. Particulars of Contracts or Arrangements with Related Parties

All the transactions entered with related parties are in the ordinary course of business and on arm's length basis.

Further, there are no materially significant related party transactions with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.

The particulars of material contracts or arrangements with related parties referred to in Section 188(1), as prescribed in Form AOC-2 of the Rule 8(2) of Companies (Accounts) Rules, 2014 is given as an **Annexure 2** to this Report.

20. Corporate Social Responsibility

The provisions of Section 135 of the Companies Act, 2013 were not applicable to the Company for the financial year 2022-23 as the Company has incurred losses.

21. Prevention of Sexual Harassment at Workplace

The Company is committed to provide a safe and conducive work environment to its employees. The Company has constituted a Posh committee and the policy for Prevention of Sexual Harassment at Workplace is in place.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

There were no incidents reported for year ended March 31, 2023.

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22. Internal Financial Control

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

23. Significant and material orders passed by the Regulators or Courts or Tribunals

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

24. Director's Responsibility Statement

In accordance with Section 134(5) of the Companies Act, 2013, the Directors of your Company to the best of their knowledge and ability confirm that:

a) in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.

b) they 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 that period;

c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) they have prepared the annual accounts of the Company on a going concern basis;

e) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

25. Conservation of Energy, Technology Absorption and Foreign Exchange Earning/ Outgo and Research & Development

The particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014 is enclosed as an **Annexure 3** to the Directors' Report.

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26. Appreciation

Your Directors would like to express their grateful appreciation for the excellent support and co-operation received from the Shareholders, Customers, Financial Institutions, Banks, Government Authorities, Reserve Bank of India, Manufacturers and Suppliers to the Company.

We would like to place on record our sincere appreciation for the total commitment, dedication, untiring efforts and hard work put in by the employee members at all levels of the Company in realisation of the corporate goals in the years ahead.

For and on behalf of the Board of Directors of
Steriscience Specialties Private Limited

Tarun Kumar Singh
Director
DIN: 08854953

C Seetharamaiah
Director
DIN: 07405773

Place: Bengaluru
Date: July 18, 2023

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited

Annexure - 1

Form AOC 1

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

Statement containing salient features of the financial statement of Subsidiaries/ Associate Companies/ Joint Ventures

PART A - SUBSIDIARIES

Rs. In Mio

Sl No.	Name of the Subsidiary	Country of Incorporation	Reporting period for the subsidiary concerned, if different from the holding	Reporting Currency	Exchange Rate as on last date of the relevant Financial year in the case of foreign	(a) Share Capital (includes Monies pending allotment)	(b) Reserves & Surplus	(c) Total Assets	(d) Total liabilities	(e) Investments	(f) Turnover	(g) Profit before taxation	(h) Provision for taxation	(i) Profit after taxation	(j) Proposed dividend	(k) % Shareholding
1	SteriBrooks Penems Private Limited	India	NA	INR	NA	0.18	0.22	4.61	4.61	-	-	10.67	-	18.58	-	55.77%

PART B - ASSOCIATES AND JOINT VENTURES

Sl No.	Name of the Associates/JV	Country of Incorporation	Reporting period for the subsidiary concerned, if different from the holding company's reporting	Reporting Currency	Exchange Rate as on last date of the relevant Financial year in the case of foreign subsidiaries.	(a) Share Capital (includes Monies pending allotment)	(b) Reserves & Surplus	(c) Total Assets	(d) Total liabilities	(e) Investments	(f) Turnover	(g) Profit before taxation	(h) Provision for taxation	(i) Profit after taxation	(j) Proposed dividend	(k) % Shareholding
	Brooks Steriscience Limited	India	NA	INR	NA	2.24	1,291.52	1,882.70	1,882.70		163.86	-358.21	90.35	-267.86	-	51.00%

For and on behalf of Board of Directors of
Steriscience Specialties Private Limited

Date: July 18, 2023
Place: Bengaluru

C Seetharamiah
Director
DIN: 07405773

Tarun Kumar Singh
Director
DIN: 09854953

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited

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 – There were no contracts or arrangements or transactions entered into by the Company with related parties during the year ended March 31, 2023 which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2023 are as below:

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/transactions	Salient terms of the contracts or arrangements or transactions	Monetary Value upto (Rupees in Million)	Date(s) of approval by the Board	Amount paid as advances, if any
1.	Steriscience Sp. Zoo Fellow Subsidiary	Sale of Goods	Upto March 31, 2023	Sale of Goods at Arm's Length	₹ 20.00	June 27, 2022	-
2.	Solara Active Pharma Sciences Limited Enterprises controlled, owned or significantly influenced by controlling parties, directors, key management personnel, promoter or person holding significant interest in the Company	Purchase of Goods	Upto March 31, 2023	Purchase of Goods at Arm's Length	₹ 150.00	June 27, 2022	-
3.	Strides Pharma Science Limited Enterprises controlled, owned or significantly influenced by controlling parties, directors, key management personnel, promoter or person holding significant interest in the Company	Purchase of Goods	Upto March 31, 2023	Purchase of Goods at Arm's Length	₹ 10.00	June 27, 2022	-
4.	Stelis Biopharma Limited	Purchase of Goods	Upto March 31, 2023	Purchase of Goods at Arm's Length	₹ 300.00	June 27, 2022	-

Steriscience Specialties Private Limited

	Enterprises controlled, owned or significantly influenced by controlling parties, directors, key management personnel, promoter or person holding significant interest in the Company						
5	Tenshi Pharmaceuticals Private Limited (Pre Merger this was Tenshi Life Sciences Private Limited) Holding Company	Business and IT Support Services	Upto March 31, 2023	Business and IT Support Services	₹ 20.00	June 27, 2022	-
6	Arcolab Private Limited Enterprises controlled, owned or significantly influenced by controlling parties, directors, key management personnel, promoter or person holding significant interest in the Company.	Integration of SPD & BLD plants and project management	Upto March 31, 2023	Integration of SPD & BLD plants and project management	₹ 15.00	June 27, 2022	-
7.	Arcolab Private Limited Enterprises controlled, owned or significantly influenced by controlling parties, directors, key management personnel, promoter or person holding significant interest in the Company.	Business and IT Support Services	Upto March 31, 2023	Business and IT Support Services	₹ 75.00	June 27, 2022	-
8.	Karuna Business Solutions LLP Enterprises controlled, owned or significantly influenced by controlling parties, directors, key management personnel, promoter or person holding significant interest in the Company	Lease of Building	Upto March 31, 2023	Lease of Property as per the rent specified in the agreement	₹ 103.17	June 27, 2022	-
9	Steriscience Pte Limited Enterprises controlled, owned or significantly influenced by controlling parties, directors, key management	Sale of Goods and Capacity Exclusivity Income	Upto March 31, 2023	Sale of Goods at Arm's Length	USD 40 Million	June 27, 2022	-

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	personnel, promoter or person holding significant interest in the Company						
10.	Steriscience Pte Limited Enterprises controlled, owned or significantly influenced by controlling parties, directors, key management personnel, promoter or person holding significant interest in the Company	Business Support Services	Upto March 31, 2023	Rendering of Services at Arm's Length	USD 5 Million	June 27, 2022	-
11.	Chayadeep Properties Private Limited Enterprises controlled, owned or significantly influenced by controlling parties, directors, key management personnel, promoter or person holding significant interest in the Company	Lease of Property	Upto March 31, 2023	Lease of Property as per the rent specified in the agreement	₹ 28.24	June 27, 2022	

For and on behalf of the Board of Directors of Steriscience Specialties Private Limited

Tarun Kumar Singh
Director
DIN: 08854953

C Seetharamaiah
Director
DIN: 07405773

Place: Bengaluru
Date: July 18, 2023

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Annexure 3

The particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014

A. **Conservation of Energy:** Measures have been taken by the company to reduce energy consumption using energy efficient equipment and by using the state of the art technology.

B. **Technology absorption:** Since business and technology are changing rapidly, investment in technology is of paramount importance to your company. The management has been continuously investing in updating the relevant technologies from time to time.

C. **Expenditure on Research & Development: Nil**

D. **Foreign Exchange Earnings and outgo:**

(Rs in Million)

	For the period ended March 31, 2023	**For the period ended March 31, 2022**
Earnings	2385.66	2,154.66
Outgo	-832.00	-103.19

For and on behalf of the Board of Directors of Steriscience Specialties Private Limited

Place: Bengaluru
Date: July 18, 2023

Tarun Kumar Singh
Director
DIN: 08854953

C Seetharamaiah
Director
DIN: 07405773

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited

Deloitte
Haskins & Sells

Chartered Accountants
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Karnataka, India

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INDEPENDENT AUDITOR'S REPORT

To The Members of Steriscience Specialties Private Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Steriscience Specialties Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2023, 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.

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 directors' 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.

Steriscience Specialties Private Limited

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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 Ind AS and other accounting principles generally accepted in India.

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 statement 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 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 intends 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 control 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.

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- 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 control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   f) 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.

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g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.

h) 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)

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There 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 it's knowledge and belief, as disclosed in the note 35B to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, 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 it's knowledge and belief, as disclosed in the note 35B to the financial statements, no funds have been received by the Company from any person or entity, 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. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. 1 April, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March, 2023.

Sterisscience Specialties Private Limited

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

Sathya P. Koushik
(Partner)
(Membership No. 206920)
(UDIN: 23206920BGYMGF7917)

Place: Bengaluru
Date: 18 July 2023

Steriscience Specialties Private Limited

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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) 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 **Steriscience Specialties Private Limited** ("the Company") as of 31 March, 2023 in conjunction with our audit of the standalone Ind AS 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 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 Company's internal financial controls with reference to standalone financial statements of the Company and its joint operations companies incorporated in India (retain as applicable) 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 in terms of their reports referred to in the Other Matters paragraph below, 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.

Steriscience Specialties Private Limited

Deloitte
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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, 2023, based on the criteria for internal financial control with reference to standalone financial statements established by the respective 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)

Sathya P. Koushik
(Partner)
(Membership No. 206920)
(UDIN: 23206920BGYMGF7917)

Place: Bengaluru
Date: 18 July 2023

Steriscience Specialties Private Limited

Deloitte Haskins & Sells

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) In respect of the company's Property Plant and Equipment and Intangible Assets:

(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) The Company has a program of verification of Property, Plant and Equipment so to cover all the items once every three years which, in our opinion, is reasonable having regard to size of the Company and nature of its assets. Pursuant to the program, Property, Plant and Equipment were due for the verification during the year and were physically verified by the Management during the year. According to information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The Company do not have any immovable properties of freehold or leasehold 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 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories (except for goods-in-transit) 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. In respect of goods-in-transit, the goods have been received subsequent to the year end or confirmations have been obtained from the parties. 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 on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the statements comprising stock statements, book debt statements, statements on ageing analysis of the debtors 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:

Steriscience Specialties Private Limited

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(a) The Company has provided loans and security during the year and details of which are given below:

Amount (Rs in Mio)

	Loans	Investments
A. Aggregate amount granted / provided during the year:		
- Subsidiaries	10.20	400.71
- Others	-	-
B. Balance outstanding as at balance sheet date in respect of above cases: *		
- Subsidiaries	10.20	1,144.90
- Others	-	-

*The amounts reported are at gross amounts, without considering provisions made.
The Company has not provided any guarantee to any other entity during the year.

(b) The security given and the terms and conditions of the grant of all the above-mentioned loans and security provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
(c) In respect of loans granted or 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 of principal amounts and receipts of interest are regular as per stipulation.
(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
(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) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year ended 31 March 2023.

(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:

Steriscience Specialties Private Limited

Deloitte Haskins & Sells

a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, 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 been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

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, 2023.

(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.

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

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application in respect of term loans raised towards the end of the year.

(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, associates or joint ventures, as applicable.

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies, as applicable, and hence reporting on clause (ix)(f) of the Order is not applicable.

(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) The Company has made private placement of shares during the year. For such allotment of shares, the Company has complied with the requirements of Section 42 and Section 62 of the Companies Act, 2013, and the funds raised have been, prima facie, applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application. The Company has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures during the year.

Steriscience Specialties Private Limited

Deloitte Haskins & Sells

(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 2023.

(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 his report.

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

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

(xiii) In our opinion, the Company is in compliance with section 188 of the Companies Act 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. The Company is a private company and hence the provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.

(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 after the year end and covering the period upto March 2023.

(xv) In our opinion and according to the information and explanations given to us, during the year ended 31 March 2023 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 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. 81.19 million during the financial year covered by our audit and Rs. 277.21 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 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. 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.

Steriscience Specialties Private Limited

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(xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

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

Sathya P Koushik
(Partner)
(Membership No. 206920)
(UDIN: 23206920BGYMGF7917)

Place: Bengaluru
Date: 18 July 2023

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited (CIN:U24304KA2020PTC137884)
Standalone Balance Sheet as at 31 Mar 2023
(Amount in Rupees Million, except for shares data or as otherwise stated)

Particulars	Note No.	As at 31 Mar 2023	As at 31 Mar 2022
Assets			
Non-current assets			
(a) Property, plant and equipment	2A	732.89	732.04
(b) Right of use asset	2B	1,835.79	784.54
(c) Capital work in progress	2C	30.29	2.47
(d) Other intangible assets	2D	108.26	73.22
(e) Intangible assets under development	2E	8.91	2.48
(f) Financial assets			
(i) Investments	3	1,144.90	744.19
(ii) Other financial assets	4	76.15	81.98
(g)Other non-current assets	5	24.41	37.86
Total non-current assets		**3,961.60**	**2,458.78**
Current assets			
(a) Inventories	6	792.79	765.85
(b) Financial assets			
(i) Trade receivables	7	519.96	391.78
(ii) Cash and cash equivalents	8	0.96	436.26
(iii) Bank balances other than (ii) above	9	1,607.02	515.77
(iv) Loans receivable	10	10.20	-
(v) Other financial assets	4	13.62	3.70
(c) Other current assets	5	364.93	641.36
Total current assets		**3,309.48**	**2,754.72**
Total assets		**7,271.08**	**5,213.50**
Equity and liabilities			
Equity			
(a) Equity share capital	11	0.19	0.17
(b) Other equity	12	71.50	302.42
Equity attributable to the owners of the company		**71.69**	**302.59**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	618.21	697.90
(ii) Lease liabilities	14	1,893.30	640.71
(iii) Other financial liabilities	15	117.90	-
(b) Provisions	16	62.39	165.32
(c) Other non-current liabilities	17	539.51	1,050.06
Total non-current liabilities		**3,231.31**	**2,553.99**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	1,897.60	339.82
(ii) Lease liabilities	14	57.22	127.14
(iii) Trade payables	18		
- Dues of micro and small enterprises		25.60	2.87
- Dues of other than micro and small enterprises		1,017.71	1,052.25
(iv) Other financial liabilities	15	121.23	169.35
(b) Provisions	16	5.52	15.66
(c) Other current liabilities	17	843.20	649.83
Total current liabilities		**3,968.08**	**2,356.92**
Total liabilities		**7,199.39**	**4,910.91**
Total equity and liabilities		**7,271.08**	**5,213.50**

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

Sathya P Koushik
Partner
Membership Number: 206920

Place : Bengaluru
Date : July 18, 2023

For and on behalf of Board of Directors

C Seetharamaiah
Director
DIN : 07405773

Place : Bengaluru
Date : July 18, 2023

Tarun Kumar Singh
Director
DIN : 08854953

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited (CIN:U24304KA2020PTC137884)
Standalone Statement of Profit and Loss for the year ended 31 Mar 2023
(Amount in Rupees Million, except for shares data or as otherwise stated)

Particulars	Note No.	For the year ended 31 Mar 2023	For the year ended 31 Mar 2022
Revenue from operations	19	3,111.95	674.23
Other income	20	55.20	26.90
Total income		**3,167.15**	**701.13**
Expenses			
(a) Cost of material consumed	21	1,325.16	331.56
(b) Changes in inventories of finished goods and work-in-progress	22	(132.89)	(70.62)
(c) Employee benefits expense	23	868.83	330.89
(d) Finance costs	24	254.35	27.41
(e) Depreciation and amortisation expense	25	324.50	107.36
(f) Other expenses	26	934.01	359.58
Total expenses		**3,573.96**	**1,086.18**
Loss before tax		**(406.81)**	**(385.05)**
Tax expense			
(a) Current tax		-	-
(b) Deferred tax		-	-
Loss for the year		**(406.81)**	**(385.05)**
Other comprehensive income			
(a) Items that will not be reclassified subsequently to profit or (loss)	33	2.00	(4.52)
(b) Income tax relating to items that will not be reclassified subsequently to profit or (loss)		-	-
Total other comprehensive income		**2.00**	**(4.52)**
Total comprehensive loss for the year		**(404.81)**	**(389.57)**
Earnings per equity share (face value of Rs. 10/- each)	30		
(a) Basic (in Rs.)		(22,603.07)	(22,472.86)
(b) Diluted (in Rs.)		(22,603.07)	(22,472.86)

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

Sathya P Koushik
Partner
Membership Number: 206920

Place : Bengaluru
Date : July 18, 2023

For and on behalf of Board of Directors

C Seetharamaiah
Director
DIN : 07405773

Tarun Kumar Singh
Director
DIN : 08854953

Place : Bengaluru
Date : July 18, 2023

Steriscience Specialties Private Limited

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited (CIN:U24304KA2020PTC137884)
Standalone Statement of Cash flows for the year ended 31 Mar 2023
(Amount in Rupees Million, except for shares data or as otherwise stated)

Particulars	For the year ended 31 Mar 2023	For the year ended 31 Mar 2022
Cash flow from operating activities		
Profit/(Loss) before tax for the year	**(406.81)**	**(385.05)**
Adjustments for:		
Depreciation and amortisation	324.50	107.36
Interest from banks on deposits	(49.16)	(11.71)
Interest on intercompany loan	(0.09)	(2.15)
Interest on income tax refund	(0.13)	
Profit on sale of investment	-	(9.53)
Profit on sale of asset	(1.39)	-
Interest Income from financial assets	(4.42)	(1.99)
Finance costs	254.35	26.70
Unrealised exchange (gain)/loss (net)	1.12	0.38
Other non-cash expenses	0.87	
Investment written off	-	0.10
Operating profit before working capital changes	**118.84**	**(275.89)**
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade and Other receivables	148.67	(739.44)
Inventories	(26.94)	(704.18)
Adjustments for increase / (decrease) in operating liabilities:		
Trade and Other payables	(463.33)	2,679.46
Cash generated from operations	**(222.76)**	**959.95**
Net income tax (paid) / refunds	3.38	-
Net cash flow from/ (utilised) in operating activities (A)	**(219.38)**	**959.95**
Cash flow from investing activities		
Sale of Investments	-	340.46
Capital expenditure on fixed assets, including capital advances	(149.22)	(785.45)
Proceeds from sale of property, plant and equipment and intangible assets	7.30	-
Proceeds/(Investment) in fixed deposits with maturity of more than 3months (net)	(1,057.99)	(516.12)
Investments in joint venture	(400.71)	(525.80)
Interest received on Fixed Deposits	3.34	-
Net cash flow utilised in investing activities (B)	**(1,597.28)**	**(1,486.91)**
Cash flow from financing activities		
Proceeds from issue of equity shares	173.91	401.50
Proceeds from secured loans (net)	1,189.32	1,016.75
Payment of interest portion of lease liabilities	(141.99)	(18.71)
Payment of principal portion of lease liabilities	(44.13)	(39.15)
Proceeds from /(repayment of) intercompany loans	278.30	(820.00)
Interest paid on loans	(74.05)	(8.63)
Net cash flow generated from financing activities (C)	**1,381.36**	**531.76**
Net increase in cash and cash equivalents during the year (A+B+C)	**(435.30)**	**4.80**
Cash and cash equivalents at the beginning of the year	**436.26**	**431.46**
Cash and cash equivalents at the end of the year*	**0.96**	**436.26**
* Comprises		
Cash on hand	0.15	0.11
Balance with banks:		
- In current account	0.81	436.15
Total	**0.96**	**436.26**

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

Sathya P Koushik
Partner
Membership Number: 206920

Place : Bengaluru
Date : July 18, 2023

For and on behalf of Board of Directors

C Seetharamaiah
Director
DIN : 07405773

Tarun Kumar Singh
Director
DIN : 08854953

Place : Bengaluru
Date : July 18, 2023

Steriscience Specialtics Private Limited (CIN:U24304KA2020PTC137884)
Standalone Statement of changes in equity for the year ended 31 Mar 2023
(Amount in Rupees Million, except for shares data or as otherwise stated)

A Equity share capital

Current reporting period

Balance at the beginning of the current reporting period	Changes in equity share capital during the current period	Balance at the end of the current reporting period
0.17	0.02	0.19

Previous reporting period

Balance at the beginning of the current reporting period	Changes in equity share capital during the current period	Balance at the end of the current reporting period
0.14	0.03	0.17

B Other equity

Current reporting period

Particulars	Reserves and Surplus			Total equity attributable to equity holders of the Company
	Capital Reserve	Securities premium account	Retained earnings	
Balance at the beginning of the current reporting period	24.74	763.42	(485.74)	**302.42**
Loss for the year	-	-	(406.81)	**(406.81)**
Premium received on shares issued during the year	-	173.89	-	**173.89**
Other comprehensive income/ (loss) for the year	-	-	2.00	**2.00**
Balance at the end of the current reporting period	**24.74**	**937.31**	**(890.55)**	**71.50**

Previous reporting period

Particulars	Reserves and Surplus			Total equity attributable to equity holders of the Company
	Capital Reserve	Securities premium account	Retained earnings	
Balance at the beginning of the previous reporting period	-	**361.96**	**(96.17)**	**265.79**
Loss for the period	-	-	(385.05)	**(385.05)**
Premium received on shares issued during the period	-	401.46	-	**401.46**
Addition during the period	24.74			**24.74**
Other comprehensive income/ (loss) for the year	-		(4.52)	**(4.52)**
Balance at the end of the previous reporting period	**24.74**	**763.42**	**(485.74)**	**302.42**

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

Sathya P Koushik
Partner
Membership Number: 206920

Place : Bengaluru
Date : July 18, 2023

For and on behalf of Board of Directors

C Seetharamaiah
Director
DIN : 07405773

Tarun Kumar Singh
Director
DIN : 08854953

Place : Bengaluru
Date : July 18, 2023

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited (CIN:U24304KA2020PTC137884)
Notes to the standalone financial statements for the year ended 31 Mar 2023
(Amount in Rupees Million, except for shares data or as otherwise stated)

Note No.

1 Company information and Significant accounting policies

Steriscience Specialties Private Limited (the "Company") is a private limited Company incorporated on August 29, 2020 under the provisions of Companies Act, 2013 with the object of, inter alia, undertaking the business of development, manufacturing, marketing and distribution of niche pharmaceuticals products such as injectables for various markets. The Company has its registered address at 152/6 and 154/16, Dorasani Palya, Begur Hobli,Bannerghatta Road Bangalore,Karnataka-560076.

1.1 Basis of preparation and presentation

These financial statements have been prepared to comply in all material aspects with the 'Indian Accounting Standards' ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") read with Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter, as applicable to the Company, and other relevant provisions of the Act.

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value as described in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange of assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The Company has incurred losses during the year ended March 31, 2023 and as of that date, the Company's net current liabilities exceed its net current assets. Based on the future projection of the Company and the financial support from the Parent, the management of the Company is confident that the Company will be able to generate sufficient profit in the future years. Accordingly, the financial statements are prepared on a going concern basis.

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.

1.2 Use of estimates and judgements

In the application of the Company's accounting policies, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

(a) Useful lives of property, plant and equipment

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

(b) Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

(c) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(d) Leases under Ind AS 116

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period 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 periods is reassessed to ensure that the lease term reflects the current economic circumstances.

(e) 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.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

Steriscience Specialties Private Limited

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Note No.

(f) 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.

1.3 Revenue recognition

Sale of goods

Revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon despatch of goods to the customer, in accordance with the delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as sales tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale.

Sale of Services

Revenue from fixed-price, fixed time frame contracts, where the performance obligations are satisfied over time is recognized on a straight-line basis over the specified period unless some other method better represents the stage of completion, provided there is no uncertainty as to measurement or collectability of the consideration. Revenue from development service is recognised on cost plus a mark up agreed with the customer.

Interest income

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.

1.4 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the consideration that was paid in cash. Acquisition-related costs are generally recognised in statement of profit and loss as incurred.

Capital reserve is measured as the excess of the fair value of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed and sum of the consideration transferred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 19 Employee Benefits.

1.5 Foreign currencies transactions and translation

The functional currency of the Company is the Indian Rupee (Rs.).

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated. Income and expense items in foreign currency are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

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Note No.

1.6 Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

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 period 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.

Interest 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 period in which they are incurred.

1.7 Employee benefits

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 period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

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 annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognised in statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period 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 statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

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 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.

Defined contribution plan

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

Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period 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 period 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.

1.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

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 period.

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Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the 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 (other than in a business combination) 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 period 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 period 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 period.

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 period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in statement of profit and 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. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

1.9 Property, plant and equipment

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.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and 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 period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Depreciation on the assets acquired through business combination has been provided on the straight-line method as per the useful life prescribed in the valuation report of the Independent Valuer.

Leasehold Improvement : Over primary lease period
Plant & Machinery : 3 - 15 years
Furniture : 2-10 years
Office Equipment : 2 - 5 years

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.

Intangible Assets

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 period, 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.

The estimated useful lives of the assets are as follows:

Softwares : 5 Years

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1.10 Leases

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.

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.

1.11 Impairment of assets

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 and associates:

The Company reviews its carrying value of investments in subsidiaries and associates 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.

Impairment of non-financial assets:

At the end of each reporting period, 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 and 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.

1.12 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. Inventories are valued at weighted average cost.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

1.13 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 period, 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.

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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.

1.14 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 or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

1.15 Financial instruments
Other financial assets and financial liabilities
Other financial assets and financial liabilities are recognised when 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.

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 other comprehensive income
Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

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.

Financial liabilities
Financial liabilities are measured at amortised cost using effective interest rate method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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.

1.16 Segment
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company assesses the financial performance and position of the Company, and makes strategic decisions. The whole time directors, has been identified as the chief operating decision maker ('CODM').

1.17 Earnings per share
Basic earnings per share are computed by dividing statement of profit and loss attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

1.18 Operating Cycle
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 12 months. The above basis is used for classifying the assets and liabilities into current and non-current as the case may be.

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No.

2A Property, plant and equipment

Particulars	Gross block				Accumulated depreciation				Net block	
	As at April 2022	Addition	Deletion	As at 31 Mar 2023	As at April 2022	Depreciation for the year	Eliminated on disposal	As at 31 Mar 2023	As at 31 Mar 2023	As at 31 Mar 2022
Leasehold Improvement	89.33	9.69	-	99.02	2.96	9.49	-	12.45	86.57	86.37
	-	*89.33*	-	89.33	-	*2.96*	-	2.96	*86.37*	-
Furniture & Fixtures	9.47	2.01	-	11.48	1.27	2.17	-	3.44	8.04	8.20
	-	*9.47*	-	9.47	-	*1.27*	-	1.27	*8.20*	-
Office Equipments	3.80	7.48	-	11.28	1.83	2.40	-	4.23	7.05	1.96
	0.03	*3.76*	-	3.79	-	*1.83*	-	1.83	*1.96*	*0.03*
Computers and Accessories	9.76	8.84	-	18.60	4.15	3.35	-	7.50	11.10	5.61
	-	*9.76*	-	9.76	-	*4.15*	-	4.15	*5.61*	-
Plant & Machinery	665.44	20.57	(0.57)	685.44	37.18	77.19	(0.09)	114.28	571.16	628.26
	-	*665.44*	-	665.44	-	*37.18*	-	37.18	*628.26*	-
Electrical Installation	-	2.74	-	2.74	-	0.09	-	0.09	2.65	-
	-	-	-	-	-	-	-	-	-	-
Laboratory Apparatus	-	46.18	-	46.18	-	2.09	-	2.09	44.09	-
	-	-	-	-	-	-	-	-	-	-
Vehicles	0.17	0.55	-	0.72	0.01	0.04	-	0.05	0.67	0.16
	-	*0.17*	-	0.17	-	*0.01*	-	0.01	*0.16*	-
Servers & Networks	1.49	0.38	-	1.87	0.01	0.30	-	0.31	1.56	1.48
	-	*1.49*	-	1.49	-	*0.01*	-	0.01	*1.48*	-
Total	**779.46**	**98.44**	**(0.57)**	**877.33**	**47.41**	**97.12**	**(0.09)**	**144.44**	**732.89**	**732.04**
Previous year	*0.03*	*779.42*	-	*779.45*	-	*47.41*	-	*47.41*	*732.04*	*0.03*

Notes:-
(i) Figures in italics relate to previous year.
(ii) The above assets are owned by the company unless otherwise specified.

2B Right of use assets

Particulars	Gross block				Accumulated depreciation				Net block	
	As at April 2022	Additions	Disposals	As at 31 Mar 2023	As at April 2022	Depreciation for the year	Eliminated on disposal	As at 31 Mar 2023	As at 31 Mar 2023	As at 31 Mar 2022
Buildings	841.51	1,256.01	-	2,097.52	56.97	204.76	-	261.73	1,835.79	784.54
	-	*841.51*	-	*841.51*	-	*56.97*	-	*56.97*	*784.54*	-
Total	**841.51**	**1,256.01**	-	**2,097.52**	**56.97**	**204.76**	-	**261.73**	**1,835.79**	**784.54**
Previous year	-	*841.51*	-	*841.51*	-	*56.97*	-	*56.97*	*784.54*	-

Notes:-
(i) Figures in italics relate to previous year.

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Bengaluru

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Note No.

2C Capital work in progress

Particulars	As at 31 Mar 2023	As at 31 Mar 2022
Opening Balance	2.47	-
Add: Additions during the year	126.26	781.89
Less: Capitalised during the year	(98.44)	(779.42)
Closing Balance	**30.29**	**2.47**

Capital work in progress ageing schedule

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	Greater than 3 years	
March 31,2023					
Projects in progress	30.29	-	-	-	30.29
Projects temporarily suspended	-	-	-	-	-
Total	**30.29**	-	-	-	**30.29**
March 31,2022					
Projects in progress	2.47	-	-	-	2.47
Projects temporarily suspended	-	-	-	-	-
Total	**2.47**	-	-	-	**2.47**

Note:-
(i) None of the above are overdue in terms of budget or timelines.

2D Other intangible asset

Particulars	Gross block				Accumulated depreciation				Net block	
	As at April 2022	Additions	Disposals	As at 31 Mar 2023	As at April 2022	Depreciation for the year	Eliminated on disposal	As at 31 Mar 2023	As at 31 Mar 2023	As at 31 Mar 2022
Software	76.20	63.10	(6.76)	132.54	2.98	22.62	(1.33)	24.27	108.26	73.22
	-	*76.20*	-	*76.20*	-	2.98	-	*2.98*	*73.22*	
Total	**76.20**	**63.10**	**(6.76)**	**132.54**	**2.98**	**22.62**	**(1.33)**	**24.27**	**108.26**	**73.22**
Previous year	-	*76.20*	-	*76.20*	-	*2.98*	-	*2.98*	*73.22*	-

Notes:-
(i) Figures in italics relate to previous year.
(ii) The above assets are owned by the company unless otherwise specified.

2E Intangible assets under development

Particulars	As at 31 Mar 2023	As at 31 Mar 2022
Opening Balance	2.48	-
Add: Additions during the year	69.53	78.68
Less: Capitalised during the year	(63.10)	(76.20)
Closing Balance	**8.91**	**2.48**

Intangible assets under development ageing schedule

Particulars	Amount in IUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	Greater than 3 years	
March 31,2023					
Projects in progress	8.91	-	-	-	8.91
Projects temporarily suspended	-	-	-	-	-
Total	**8.91**	-	-	-	**8.91**
March 31,2022					
Projects in progress	2.48	-	-	-	2.48
Projects temporarily suspended	-	-	-	-	-
Total	**2.48**	-	-	-	**2.48**

Note:-
(i) None of the above are overdue in terms of budget or timelines.

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Note No.	Particulars	As at 31 Mar 2023			As at 31 Mar 2022		
3	Investments	Qty	Amount		Qty	Amount	
			Current	Non-Current		Current	Non-Current
	(A) Investments in joint ventures (carried at cost):						
	Equity shares, unquoted						
	Brooks Steriscience Limited (refer note i below) - 114,490 shares of Rs.10,000/- each fully paid up, (PY - 114,490 shares of Rs.10,000/- each out of which Rs 6,500 each has been paid up)	1,14,490	-	1,144.90	1,14,490	-	744.19
	Steribrooks Penems Private Limited - 10,000 shares of Rs 10 each fully paid up (PY - 10,000 shares)	10,000	-	0.10	10,000	-	0.10
	Less: Provision for impairment (refer note ii below)	-	-	(0.10)	-	-	(0.10)
	Net Value	10,000	-	-	10,000	-	-
	Total	**1,24,490**	**-**	**1,144.90**	**1,24,490**	**-**	**744.19**
	Aggregate carrying value of unquoted investments		-	1,144.90		-	744.19
	Aggregate amount of investments carried at cost		-	1,144.90		-	744.19

Notes:

(i) During the previous year, the investment in Optionally Convertible Preference Shares of Brooks Steriscience Limited has been converted to equity shares on preferential basis at an issue price of Rs.10,000/- including a premium of Rs.9,990/- per equity shares. Out of which, Rs.6,500/- per share was paid as of 31 Mar 2022 and balance amount of Rs. 3,500 per share towards paid up share capital was paid during the financial year ended 31 Mar 2023.

(ii) During the previous year, the Company impaired its investment made in Steribrooks Penems Private Limited.

(iii) As consolidated financial statements is being prepared by Tenshi Pharmaceuticals Private Limited, the Parent company (refer note 33), the Company, by way of exemption available as per para 4 of Ind AS 110 Consolidated Financial Statements has opted not to prepare consolidated financial statements.

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4 **Other financials assets**

Particulars	As at 31 Mar 2023		As at 31 Mar 2022	
	Current	Non- Current	Current	Non- Current
Unsecured, considered good:				
Interest accrued on loans given to related parties	2.02	-	1.94	-
Interest accrued on bank deposits	8.52	-	0.86	-
Security deposit	3.08	76.15	0.90	81.98
Total	**13.62**	**76.15**	**3.70**	**81.98**

5 **Other assets**

Particulars	As at 31 Mar 2023		As at 31 Mar 2022	
	Current	Non- Current	Current	Non- Current
Unsecured, considered good:				
Capital advances	-	15.75	-	37.43
Advances to suppliers	58.40	-	61.65	-
Prepaid expenses	34.38	1.96	35.34	0.43
Advance to employees	8.26	6.70	15.04	-
Other receivable	-	-	192.07	-
Balances with Government authorities:				
- GST credit receivable	254.36	-	334.05	-
- TDS & TCS receivable	9.53	-	3.21	-
Total	**364.93**	**24.41**	**641.36**	**37.86**

6 **Inventories**

Particulars	As at 31 Mar 2023	As at 31 Mar 2022
Raw materials (Including goods in transit)	589.28	695.22
Work-in-progress	81.69	4.83
Finished goods (including goods in transit)	121.82	65.80
Total	**792.79**	**765.85**

7 **Trade receivables**

Particulars	As at 31 Mar 2023	As at 31 Mar 2022
Undisputed trade receivables - considered good	519.96	391.78
	519.96	**391.78**
Less: Allowance for credit loss	-	-
Total	**519.96**	**391.78**

Trade receivables ageing schedule as at 31 Mar 2023

Particulars	Not Due	Outstanding for following periods from due date of payment					As at 31 Mar 2023
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables -considered good	367.03	145.14	7.37	0.42	-		519.96
	367.03	**145.14**	**7.37**	**0.42**	**-**	**-**	**519.96**

Trade receivables ageing schedule as at 31 Mar 2022

Particulars	Not Due	Outstanding for following periods from due date of payment					As at 31 Mar 2022
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables -considered good	316.34	56.62	18.82				391.78
	316.34	**56.62**	**18.82**	**-**	**-**	**-**	**391.78**

8 **Cash and cash equivalents**

Particulars	As at 31 Mar 2023	As at 31 Mar 2022
Cash on hand	0.15	0.11
Balance with banks:		
- In current accounts	0.81	436.15
Total	**0.96**	**436.26**

9 **Bank balances (other than cash and cash equivalents)**

Particulars	As at 31 Mar 2023	As at 31 Mar 2022
In deposit accounts	180.12	295.77
In earmarked accounts:		
- Balance held as margin money against working capital facilities with banks	1,426.90	220.00
Total	**1,607.02**	**515.77**

10 **Loans receivable**

Particulars	As at 31 Mar 2023		As at 31 Mar 2022	
	Current	Non- Current	Current	Non- Current
Unsecured, considered good:				
Loan to related party (Refer note 34)	10.20	-	-	-
Total	**10.20**	**-**	**-**	**-**

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Note No.	Particulars	As at 31 Mar 2023		As at 31 Mar 2022	
11	**(a) Equity share capital**	**No. of shares**	**Amount**	**No. of shares**	**Amount**
	Authorised				
	Equity shares of Rs. 10/- each	1,50,000	1.50	1,50,000	1.50
	Issued, subscribed and fully paid-up				
	Equity shares of Rs. 10/- each	18,736	0.19	17,479	0.17
	Total	**18,736**	**0.19**	**17,479**	**0.17**
	Issued, subscribed and partly paid up				
	Equity shares of Rs. 0.1/- each	486	0.00	-	-
	Total	**486**	-	-	-
	Grand Total	**19,222**	**0.19**	**17,479**	**0.17**

Particulars	As at 31 Mar 2023		As at 31 Mar 2022	
Compulsorily Convertible Preference Shares	**No. of shares**	**Amount**	**No. of shares**	**Amount**
Authorised				
Preference shares of Rs. 10/- each	4,00,000	4.00	4,00,000	4.00
Issued, subscribed and fully paid-up				
Preference shares of Rs. 10/- each	-	-	-	-
Total	-	-	-	-

(i) **Reconciliation of number of shares and amount outstanding:**

Particulars	As at 31 Mar 2023		As at 31 Mar 2022	
Equity shares of Rs. 10/- each	**No. of shares**	**Amount**	**No. of shares**	**Amount**
Opening balance	17,479	0.17	13,546	0.14
Add: Shares issued during the year	1,743	0.02	3,933	0.03
Closing balance	**19,222**	**0.19**	**17,479**	**0.17**

(ii) **Detail of the rights, preferences and restrictions attaching to each class of shares:**
Equity shares of Rs. 10/- each
The Company has only one class of equity shares, having a par value of Rs.10/-. The holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the board of directors is subject to approval by the shareholders at the ensuing annual general meeting.
In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution to all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

(iii) **Shares held by promoters at the end of the year:**

Promoter name	As at 31 Mar 2023			As at 31 Mar 2022		
	Number of shares	**% of total shares**	**% Change during the Year**	**Number of shares**	**% of total shares**	**% Change during the Year**
Tenshi Pharmaceuticals Private Limited (refer note 34)	14,032	73%	-4%	13,546	77%	0%

(iv) There were no shares issued pursuant to contract without payment being received in cash, alloted as fully paid up by way of bonus issues or brought back during the years preceding 31 Mar 2023.

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

Name of the shareholder	As at 31 Mar 2023		As at 31 Mar 2022	
	No. of Shares	**% of holding**	**No. of Shares**	**% of holding**
Equity shares of Rs. 10/- each				
Tenshi Pharmaceuticals Private Limited (refer note 34)	14,032	73.00%	13,546	77.50%
Medella Holdings Pte. Ltd	5,190	27.00%	3,933	22.50%

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Note No.

12 Other equity

Particulars	As at 31 Mar 2023	As at 31 Mar 2022
Capital reserve (Refer note (i) below)	24.74	24.74
Securities premium account (Refer note (ii) below)	937.31	763.42
Retained earnings (Refer note (iii) below)	(890.55)	(485.74)
Total	**71.50**	**302.42**

(i) Capital reserve

Particulars	As at 31 Mar 2023	As at 31 Mar 2022
Capital Reserve comprises of bargain purchase gain on business combination.		
Opening balance	24.74	-
Addition during the year (Refer note 35A)	-	24.74
Closing balance	**24.74**	**24.74**

(ii) Securities premium account

Particulars	As at 31 Mar 2023	As at 31 Mar 2022
Amounts received on issue of shares in excess of the par value has been classified as securities premium.		
Opening balance	763.42	361.96
Add: Premium on shares issued during the year (Refer note below)	173.89	401.46
Closing balance	**937.31**	**763.42**

Note:
During the year, the company has issued 486 partly paid equity shares of Rs. 10/- each at a premium of Rs. 1,37,805/- per equity share to Tenshi Pharmaceuticals Private Limited (refer note 34) on a private placement basis through preferential allotment and 1,257 fully paid equity shares of Rs. 10/- each at a premium of Rs. 1,37,805/- per equity share to Medella Holdings Pte. Ltd through rights issue.

(iii) Retained earnings

Particulars	As at 31 Mar 2023	As at 31 Mar 2022
Retained earnings comprises of the amounts that can be distributed by the Company as dividends to its equity share holders.		
Opening balance	(485.74)	(96.17)
Add: Net loss attributable to owners of the Company	(406.81)	(385.05)
Add: Other comprehensive income /(loss)	2.00	(4.52)
Closing balance	**(890.55)**	**(485.74)**
Total reserves and surplus	**71.50**	**302.42**

13 Borrowings

Particulars	As at 31 Mar 2023		As at 31 Mar 2022	
	Current	**Non- Current**	**Current**	**Non- Current**
Secured borrowings:				
Term loan from bank	79.96	618.21	-	697.90
Working capital borrowings from a bank	650.09	-	321.00	-
Overdraft	860.23	-	-	-
Subtotal	**1,590.28**	**618.21**	**321.00**	**697.90**
Unsecured borrowings:				
Loan from related party (Refer note 34)	307.32	-	18.82	-
Subtotal	**307.32**	**-**	**18.82**	**-**
Total	**1,897.60**	**618.21**	**339.82**	**697.90**

Terms of repayment and security -Secured term loan, working capital borrowing and overdraft facility from a bank	**As at 31 Mar 2023**	**As at 31 Mar 2022**
Non-current borrowings	618.21	697.90
Current maturities of non-current borrowings	1,590.28	321.00
Security: Pari-Passu charge on the assets of the Company and fixed deposit.		-
Rate of interest: LIBOR+ Spread of 1.5 %		
Repayment to be made over 28 quarterly instalments starting from starting April 2023.		

Terms of Loan from related party	**As at 31 Mar 2023**	**As at 31 Mar 2022**
Non-current borrowings	-	-
Current borrowings	307.32	18.82
Security: The loan from related party is unsecured in nature.		
Rate of interest: Interest which shall not be less than the average REPO rate as per RBI and the same shall be reviewed on a quarterly basis.		
Repayment : Repayable within one year from the date of remittance.		

14 Lease liabilities

Particulars	As at 31 Mar 2023		As at 31 Mar 2022	
	Current	Non- Current	Current	Non- Current
Lease liabilities (Refer note 28)	57.22	1,893.30	127.14	640.71
Total	**57.22**	**1,893.30**	**127.14**	**640.71**

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15 **Other financial liabilities**

Particulars	As at 31 Mar 2023		As at 31 Mar 2022	
	Current	Non- Current	Current	Non- Current
Interest accrued but not due on loans	38.92	-	15.80	-
Interest accrued on MSME vendors	2.83	-	0.12	-
Payable on account of business purchase (Refer note below)	-	117.90	117.90	-
Employee related payables	50.97	-	31.91	-
Creditors for capital supplies/services (includes MSME of Rs. 3.73 Million as at 31 Mar 2023; Rs. 0.01 Million as at 31 Mar 2022)	28.51	-	3.62	-
Total	**121.23**	**117.90**	**169.35**	**-**

Note:
The payable is towards the Business Transfer Agreement entered by the Company with Tenshi Pharmaceuticals Private Limited (refer note 34) in the FY 2020-21.Pursuant to settlement arrangement entered between parties during the year, the payable is due to be settled on or before 31 Mar 2025 and accordingly payable is disclosed as non-current as at 31 Mar 2023.

16 **Provisions**

Particulars	As at 31 Mar 2023		As at 31 Mar 2022	
	Current	Non- Current	Current	Non- Current
Provision for employee benefits:				
Gratuity (Refer note 33)	-	22.91	11.83	130.39
Compensated absences	5.52	39.48	3.83	34.93
Total	**5.52**	**62.39**	**15.66**	**165.32**

17 **Other Liabilities**

Particulars	As at 31 Mar 2023		As at 31 Mar 2022	
	Current	Non- Current	Current	Non- Current
Deferred revenue	818.86	539.51	628.78	1,050.06
Advance from customers	1.54	-	-	-
Statutory liabilities	22.80	-	21.05	-
Total	**843.20**	**539.51**	**649.83**	**1,050.06**

18 **Trade payables**

Particulars	As at 31 Mar 2023		As at 31 Mar 2022	
	Current	Non- Current	Current	Non- Current
Dues of micro and small enterprises (Refer note (i) below)	25.60	-	2.87	-
Dues of other than micro and small enterprises	1,017.71	-	1,052.25	-
Total	**1,043.31**	**-**	**1,055.12**	**-**

Trade payables ageing schedule as at 31 Mar 2023

Particulars	Not Due	Outstanding for following periods from due date of payment				As at 31 Mar 2023
		Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
(i) MSME	15.08	10.52	-	-	-	25.60
(ii) Others	237.21	653.41	90.05	37.05	-	1,017.71
	252.29	**663.93**	**90.05**	**37.05**	**-**	**1,043.31**

Trade payables ageing schedule as at 31 Mar 2022

Particulars	Not Due	Outstanding for following periods from due date of payment				As at 31 Mar 2022
		Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
(i) MSME	1.19	1.68	-	-	-	2.87
(ii) Others	407.54	607.66	37.05	-	-	1,052.25
	408.73	**609.34**	**37.05**	**-**	**-**	**1,055.12**

(i) **Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:**

Particulars	As at 31 Mar 2023	As at 31 Mar 2022
(a) The principal amount due to micro and small enterprises remaining unpaid to any supplier as at the end of each year		
- Principal amount due to micro and small enterprises (including capital creditors of Rs. 3.73 Million as at 31 Mar 2023; Rs. 0.01 Million as at 31 Mar 2022)	29.33	2.88
- Interest due on the above	0.11	0.01
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	38.80	13.82
(c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	2.60	0.11
(d) The amount of interest accrued and remaining un-paid at the end of each accounting year	2.71	0.12
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under the MSMED Act, 2006	2.83	0.12

This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

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Note No.	Particulars	For the year ended 31 Mar 2023	For the year ended 31 Mar 2022
19	**Revenue from operations**		
	Sale of products	1,711.79	345.45
	Sale of services	1,398.00	324.96
	Other operating revenue - Sale of scrap	2.16	3.82
	Total	**3,111.95**	**674.23**

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by nature of services. The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

Sale of products- Export	1,402.55	228.13
Sale of products- Domestic	309.24	117.32
Sale of service - Export	1,291.41	306.96
Sale of service - Domestic	106.59	18.00
Total	**3,109.79**	**670.41**

Disaggregated revenue information

(a) In the following table, revenue from contracts with customers is disaggregated by primary geographical market

Revenue from contracts with customers		
Singapore	2,679.22	523.52
India	417.98	144.96
Poland	13.46	5.75
Italy	1.29	-
Total	**3,111.95**	**674.23**

Geographical revenue is allocated based on the location of the customers.

(b) **Revenue from major customers**

Revenue from two customer of the Company is Rs. 3,071.67 Mio (PY : 633.13 Mio) which is individually more than 10 percent of the Company's total revenue.

Particulars	**For the year ended 31 Mar 2023**		**For the year ended 31 Mar 2022**	
	Percentage	**Amount**	**Percentage**	**Amount**
Customer -1	86%	2,679.21	78%	523.52
Customer -2	13%	392.46	16%	109.61

Note No.	Particulars	For the year ended 31 Mar 2023	For the year ended 31 Mar 2022
20	**Other income**		
	Interest from banks on deposits	49.16	11.71
	Interest on intercompany loan	0.09	2.15
	Interest on income tax refund	0.13	-
	Gain on sale of investment (refer note given below)	-	9.53
	Net profit on sale of asset	1.39	-
	Interest Income from financial assets	4.42	1.99
	Gain on forward contract cancellation	-	1.46
	Others	0.01	0.06
	Total	**55.20**	**26.90**

Note:

The Company had entered into a Share Transfer Agreement on March 09, 2021 for sale of 4,500,000 shares in Steriscience Pte. Ltd, Singapore to Six Rays Holdings Pte Ltd for a consideration of USD 4.55 Million. Pursuant to the above agreement, Company has transferred the shares during FY 21-22 at a profit of INR 9.53 Million.

Note No.	Particulars	For the year ended 31 Mar 2023	For the year ended 31 Mar 2022
21	**Cost of materials consumed**		
	Opening stock	695.22	61.66
	Add: Purchases	1,219.22	965.12
	Less: Closing stock	589.28	695.22
	Total	**1,325.16**	**331.56**
22	**Changes in inventories of finished goods and work-in-progress**		
	Inventories at the end of the year:		
	- Finished goods	121.82	65.80
	- work-in-progress	81.69	4.82
	Inventories at the beginning of the year:		
	- Finished goods	65.80	-
	- work-in-progress	4.82	-
	Net (increase) / decrease	**(132.89)**	**(70.62)**

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Note No.	Particulars	For the year ended 31 Mar 2023	For the year ended 31 Mar 2022
23	**Employee benefits expense**		
	Salaries and wages	758.52	299.93
	Contribution to provident and other funds	64.01	22.31
	Staff welfare expenses	46.30	8.65
	Total	**868.83**	**330.89**
24	**Finance costs**		
	Interest on intercompany loan	11.99	5.69
	Interest on leases	141.99	18.71
	Interest on bank borrowings	88.00	2.17
	Interest on delayed payments to MSME vendors	2.71	0.12
	Other finance costs	9.66	0.71
	Total	**254.35**	**27.41**
25	**Depreciation and amortisation expense**		
	Depreciation on Property, plant and equipment	97.12	47.41
	Depreciation on Right of use assets	204.76	56.97
	Amortisation of intangible assets	22.62	2.98
	Total	**324.50**	**107.36**
26	**Other expenses**		
	Consumables	100.02	107.99
	Rent	7.67	1.40
	Power charges	152.41	58.51
	Water charges	13.94	3.12
	Analytical and testing charges	72.02	29.48
	Security and housekeeping charges	43.81	12.31
	Rates and taxes	44.54	12.12
	Freight and forwarding	28.82	9.69
	Printing and stationery	7.43	3.04
	Insurance	26.20	12.62
	Staff recruitment expenses	7.45	8.01
	Business promotion	14.69	0.06
	Legal and professional fees	110.10	54.76
	Payments to statutory auditors (Refer note (i) below)	2.16	1.85
	Repairs and maintenance		
	Building	11.97	0.29
	Machinery	118.78	11.96
	IT	38.11	10.84
	Travelling and conveyance	22.29	6.70
	Communication expenses	11.74	0.39
	Environmental and safety expenses	13.95	3.72
	Net loss on foreign currency transactions	48.61	10.27
	Loss on forwards contract cancellation	36.16	-
	Investment written off	-	0.10
	Miscellaneous expenses	1.14	0.34
	Total	**934.01**	**359.58**
(i)	**Payments to the Statutory Auditors comprises (net of taxes) for:**		
	Audit of financial statements	2.10	1.80
	Other services	0.06	0.05
	Total	**2.16**	**1.85**

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27 **Tax expenses**

Current tax: During the year, the Company does not have taxable income as per regular computation and as per minimum alternate tax under Sec 115JB of the Income Tax Act 1961.
Deferred tax: The Company has incurred losses in the current year. 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, 2023.

28 **Leases**

Company as a lessee : The Company has entered into lease arrangements for land and office buildings. Refer Note 1.10 for the accounting policies adopted by Company respectively in respect of Ind AS 116.

Movement in lease liabilities during the year:

Lease liabilities

Particulars	As at 31 Mar 2023	As at 31 Mar 2022
Opening balance	767.85	-
Additions	1,226.80	807.00
Interest	141.99	18.71
Lease payments	(186.12)	(57.86)
Closing balance	**1,950.52**	**767.85**
Current	57.22	127.14
Non-current	1,893.30	640.71

Maturity analysis of OLL (undiscounted)	As at 31 Mar 2023			As at 31 Mar 2022		
	1 year	1 to 5 years	More than 5 years	1 year	1 to 5 years	More than 5 years
Building	196.07	1,351.07	1,261.25	177.69	729.07	-

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).

29 **Commitments and Contingent liabilities (to the extent not provided for)**

Particulars	As at 31 Mar 2023	As at 31 Mar 2022
a) Contingent liabilities	-	-
b) Commitments - Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	48.18	421.07

30 **Earnings per share:**

Particulars	For the year ended 31 Mar 2023	For the year ended 31 Mar 2022
Loss attributable to the equity holders of the Company	(406.81)	(385.05)
Weighted average number of equity shares used as denominator in calculating earnings per share	17,998	17,134
Add: Conversion of dilutive instruments	-	-
Weighted average number of equity shares for diluted earnings per share	**17,998**	**17,134**
Basic earnings per share (Amount in Rs.)	(22,603.07)	(22,472.86)
Diluted earnings per share (Amount in Rs.)	(22,603.07)	(22,472.86)

31 **Segment Information**

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker (CODM) in deciding how to allocate resources and assessing performance.

The Company is mainly engaged in the business of Pharmaceuticals. Considering the nature of business and financial reporting of the Company, the Company has only one segment viz: Pharmaceuticals.

Geographical Information

(i) Revenue from Operation

Particulars	For the year ended 31 Mar 2023	For the year ended 31 Mar 2022
Singapore	2,679.22	523.52
India	417.98	144.96
Poland	13.46	5.75
Italy	1.29	-
Total Revenue	**3,111.95**	**674.23**

(ii) Non-current assets*

Particulars	For the year ended 31 Mar 2023	For the year ended 31 Mar 2022
India	**2,740.55**	**1,632.61**
Total	**2,740.55**	**1,632.61**

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

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32 Financial instruments

32.01 Categories of financial instruments

Particulars	As at 31 Mar 2023		As at 31 Mar 2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets:				
Measured at amortised cost				
Cash and bank balances	1,607.98	1,607.98	952.03	952.03
Trade receivables	519.96	519.96	391.78	391.78
Other financial assets at amortised cost	89.77	89.77	85.68	85.68
Financial liabilities:				
Measured at amortised cost				
Borrowings	2,515.81	2,517.64	1,037.72	1,039.82
Lease liabilities	1,950.52	1,950.52	767.85	767.85
Trade payables	1,043.31	1,043.31	1,055.12	1,055.12
Other financial liabilities	121.23	121.23	169.35	169.35

The management assessed that the carrying amounts of financial assets and financial liabilities recognised in the financial statements at amortised cost will reasonably approximate their fair values.

32.02 Fair value measurements

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

32.03 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 minimise 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:

32.04 Foreign currency risk management

The Company is exposed to foreign exchange risk due to:
- 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 (i.e. Indian rupees).

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:

Exposure to the Currency	As at 31 Mar 2023		As at 31 Mar 2022	
	Receivable/ (payable) in foreign currency	Receivable/ (payable) in Rs.	Receivable/ (payable) in foreign currency	Receivable/ (payable) in Rs.
USD (In Million)	3.49	287.36	(2.97)	(225.35)
CAD (In Million)	(0.04)	(2.46)	(0.01)	(0.74)
EUR (In Million)	(0.35)	(29.97)	(0.08)	(7.32)
GBP (In Million)	(0.00)	(0.17)	(0.08)	(7.32)

32.05 Foreign currency sensitivity analysis

Financial instruments affect Financial instruments affected by changes in foreign exchange rates include payables in foreign currencies. The Company considers US Dollar and Canadian Dollar 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 Rs. is given below:

Exposure to the Currency	As at 31 Mar 2023	As at 31 Mar 2022
	Increase / (Decrease) in Equity	Increase / (Decrease) in Equity
Appreciation in the USD	14.37	(11.27)
Depreciation in the USD	(14.37)	11.27
Appreciation in the CAD	(0.12)	(0.04)
Depreciation in the CAD	0.12	0.04
Appreciation in the EUR	(1.50)	(0.37)
Depreciation in the EUR	1.50	0.37
Appreciation in the GBP	0.01	0.37
Depreciation in the GBP	(0.01)	(0.37)

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

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

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.

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32.06 Interest rate risk management

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

Particulars	As at 31 Mar 2023	As at 31 Mar 2022
Fixed-rate instruments		
Financial assets		
Balance with banks held in deposit account	1,607.02	515.77
Total	**1,607.02**	**515.77**
Variable-rate instruments		
Financial liabilities		
Borrowings from bank	2,208.49	1,018.90
Loan from related party	307.32	18.82
Total	**2,515.81**	**1,037.72**

32.07 Financial risk management

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 as a means of mitigating the risk of financial loss from defaults. The Company has an internal mechanism of determining the credit rating of the customers and setting credit limits. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Company is not significantly exposed to geographical credit risk as the counterparties operate across various countries across the globe.

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

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.

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 repayment of principal amounts. 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 value
	< 1 Year	1 to 3 Years	> 3 Years		
Borrowings (including inter-company loan)					
- As on March 31, 2023	1,897.60	279.38	340.66	2,517.64	2,515.81
- As on March 31, 2022	339.82	281.53	418.47	1,039.82	1,037.72
Interest payable on borrowings					
- As on March 31, 2023	38.92	-	-	38.92	38.92
- As on March 31, 2022	15.80	-	-	15.80	15.80
Lease liabilities					
- As on March 31, 2023	196.07	421.16	2,191.16	2,808.39	1,950.52
- As on March 31, 2022	177.69	387.75	345.30	910.74	767.85
Trade and other payable					
- As on March 31, 2023	1,164.54	-	-	1,164.54	1,164.54
- As on March 31, 2022	1,224.47	-	-	1,224.47	1,224.47

32.08 Capital management

The Company manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity. The company has not met with few of financial covenants prescribed but company is not expecting any interest or penalty for the same. The Company is not subject to any externally imposed capital requirements.

32.09 Gearing ratio

The gearing ratio at end of the reporting period was as follows.

Particulars	As at 31 Mar 2023	As at 31 Mar 2022
Debt(including lease liabilities)	4,466.33	1,805.57
Less:		
Cash and bank balances	(1,607.98)	(952.03)
Net debt (A)	**2,858.35**	**853.54**
Total equity (B)	71.69	302.59
Net debt to equity ratio (A/B)	**39.87**	**2.82**

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33 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. The Company recognised Rs.40.61 Million (previous year: 14.86 Million) for provident fund contributions, Rs.0.06 Million in the previous year for employee state insurance scheme 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.

Composition of the plan assets

The scheme is funded through a trust and the fund is managed by LIC , the fund manager. The details of composition of plan assets managed by the fund manager is not available with the Company. However, the said funds are subject to Market risk (such as interest risk, investment risk, etc.).

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:

Particulars	Valuation as at	
	31-Mar-23	31-Mar-22
Discount rate(s)	7.42%	6.96%
Expected rate(s) of salary increase	8.00%	8.00%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Retirement age (years)	58	58

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

Particulars	As at 31 Mar 2023	As at 31 Mar 2022
Service cost:		
Current service cost	13.95	4.31
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	9.45	3.08
Components of defined benefit costs recognised in statement of profit and loss	**23.40**	**7.39**
Remeasurement on the net defined benefit liability:		
Return on plan assets [excluding amounts included in net interest expense] (excess) / Short return	(2.19)	-
Actuarial (gains) / losses arising from changes in demographic assumptions	(1.22)	-
Actuarial (gains) / losses arising from changes in financial assumptions	(4.35)	
Actuarial (gains) / losses arising from experience adjustments	5.76	4.52
Components of defined benefit costs recognised in other comprehensive income	**(2.00)**	**4.52**
Total	**21.40**	**11.91**

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

Particulars	As at 31 Mar 2023	As at 31 Mar 2022
Present value of funded defined benefit obligation	157.98	143.42
Fair value of plan assets	(135.07)	(1.20)
Funded status	**22.91**	**142.22**
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	**22.91**	**142.22**

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

Particulars	As at 31 Mar 2023	As at 31 Mar 2022
Opening defined benefit obligation	143.42	0.26
Add: Acquisition / (disposal)	-	131.59
Expenses recognised in statement of profit and loss		
Current service cost	13.95	4.31
Past service cost and (gain)/loss from settlements	-	-
Interest cost	9.53	3.08
Remeasurement (gains)/losses		
Actuarial (gains) / losses arising from changes in demographic assumptions	(1.22)	-
Actuarial (gains) / losses arising from changes in financial assumptions	(4.35)	-
Actuarial (gains) / losses arising from experience adjustments	5.76	4.52
Benefits paid	(9.11)	(0.34)
Closing defined benefit obligation	**157.98**	**143.42**

Change in fair value of plan assets:

Particulars	As at 31 Mar 2023	As at 31 Mar 2022
Fair value of plan assets at end of prior year	1.20	-
Expected return on plan assets	0.08	-
Employer contributions	-	1.20
Acquisition / Divestiture	131.60	-
Actuarial gain/(loss) on plan assets	2.19	-
Fair value of plan assets at end of year	**135.07**	**1.20**

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.

			Gratuity	
			Impact on defined benefit obligation	
Principal assumption	**Year**	**Changes in assumption**	**Increase in assumption**	**Decrease in assumption**
Discount rate	2023	100bps	149.25	167.74
	2022	100bps	133.75	154.41
Salary growth rate	2023	100bps	166.65	149.94
	2022	100bps	153.52	134.24

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-

Financial Year	As at 31 Mar 2023	As at 31 Mar 2022
Year 1	21.00	13.03
Year 2	19.38	13.52
Year 3	20.94	14.40
Year 4	15.52	16.97
Year 5	17.99	11.83
Years 6 to 10	76.86	74.78
Above 10 years	99.16	121.88

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34 **Related party information:**

34.01 **List of related parties:**

(i) **Controlling parties**
Tenshi Pharmaceuticals Private Limited , Parent Company (refer note (a) below)
Arun Kumar Pillai, Promoter

(ii) **Jointly controlled entities**
Steribrooks Penems Private Limited
Brooks Steriscience Limited

(iii) **Directors and Key Management Personnel:**
Aditya Arun Kumar, Director
Tarun Singh, Wholetime Director
C Seetharamaiah, Director
Ankur Nand Thadani, Director
Mahadevan Narayanamoni, Director
Neeraj Sharma, Additional Director

(iv) **Fellow subsidiaries**
Tenshi Kaizen Private Limited
Six Rays Holdings Pte Limited
Steriscience Pte Limited
Steriscience B.V., Netherlands
Steriscience Sp. Z o.o.

(v) **Enterprises controlled, owned or significantly influenced by controlling parties, directors and key management personnel.**
Stelis Biopharma Limited
Strides Pharma Science Limited
Strides Pharma Canada Inc
Arcolab Private Limited
Chayadeep Properties Private Limited
Solara Active Pharma Sciences Limited
Karuna Business Solutions LLP

Notes:

a) Pursuant to scheme of amalgamation approved by relevant regulatory authority on November 29, 2022, Tenshi Life Sciences Private Limited ('TLSPL') and Karuna Healthcare Private Limited ('KHPL') have been merged into Tenshi Pharmaceuticals Private Limited. The Company has filed the scheme approval copy with the Registrar of Companies on January 06, 2023.

b) Related parties are as identified by the Company and relied upon by the Auditors.

34.02 **Transactions for the year**

Particulars	Controlling parties		Jointly controlled entities		Directors /KMP/ Relatives of KMP		Fellow subsidiaries		Enterprises controlled, owned or significantly influenced by controlling parties, directors and key management personnel.	
	For the year ended 31 Mar 2023	For the year ended 31 Mar 2022	For the year ended 31 Mar 2023	For the year ended 31 Mar 2022	For the year ended 31 Mar 2023	For the year ended 31 Mar 2022	For the year ended 31 Mar 2023	For the year ended 31 Mar 2022	For the year ended 31 Mar 2023	For the year ended 31 Mar 2022
Equity shares										
Tenshi Pharmaceuticals Private Limited	0.67	-	-	-	-	-	-	-	-	-
Loan taken from										
Tenshi Pharmaceuticals Private Limited	305.00	-	-	-	-	-	-	-	-	-
Loan refunded										
Tenshi Pharmaceuticals Private Limited	16.50	828.63	-	-	-	-	-	-	-	-
Interest expense accrued										
Tenshi Pharmaceuticals Private Limited	11.99	5.69	-	-	-	-	-	-	-	-
Loan given to										
Brooks Steriscience Limited	-	-	10.20	100.00	-	-	-	-	-	-
Loan converted to equity investment										
Brooks Steriscience Limited	-	-	-	100.00	-	-	-	-	-	-
Receivable converted to equity investment										
Brooks Steriscience Limited	-	-	-	145.60	-	-	-	-	-	-

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Note No.

Particulars	Controlling parties		Jointly controlled entities		Directors /KMP/ Relatives of KMP		Fellow subsidiaries		Enterprises controlled, owned or significantly influenced by controlling parties, directors and key management personnel	
	For the year ended 31 Mar 2023	For the year ended 31 Mar 2022	For the year ended 31 Mar 2023	For the year ended 31 Mar 2022	For the year ended 31 Mar 2023	For the year ended 31 Mar 2022	For the year ended 31 Mar 2023	For the year ended 31 Mar 2022	For the year ended 31 Mar 2023	For the year ended 31 Mar 2022
Interest income										
Brooks Steriscience Limited	-	-	0.09	2.15	-	-	-	-	-	-
Investments in equity shares										
Write off of Investment in Steribrooks Penems Private Limited	-	-	-	0.10	-	-	-	-	-	-
Sale of equity shares Steriscience Pte. Ltd to - Six Rays Holding Pte Limited	-	-	-	-	-	-	-	340.46		
Brooks Steriscience Limited	-	-	400.71	298.59	-	-	-	-	-	-
Investments in optionally convertible preference shares										
Brooks Steriscience Limited	-	-	-	100.00	-	-	-	-	-	-
Investments in optionally convertible preference shares Converted to Equity Investment										
Brooks Steriscience Limited	-	-	-	200.00	-	-	-	-	-	-
Sale of goods										
Steriscience Sp. Z o.o	-	-	-	-	-	-	3.43	5.75		
Steriscience Pte. Limited	-	-	-	-	-	-	1,399.12	216.56		
Stelis Biopharma Limited	-	-	-	-	-	-	-	-	0.61	7.71
Brooks Steriscience Limited	-	-	52.88	-	-	-	-	-	-	-
Strides Pharma Science Limited	-	-	-	-	-	-	-	-	0.18	-
Sales return										
Brooks Steriscience Limited	-	-	51.99	-	-	-	-	-	-	-
Sale of service										
Brooks Steriscience Limited	-	-	21.88	18.00	-	-	-	-	-	-
Steriscience Pte. Limited	-	-	-	-	-	-	1,280.09	306.96		
Steriscience Sp. Z o.o.							10.03	-		
Sale of asset										
Brooks Steriscience Limited	-	-	3.38	-	-	-	-	-	-	-
Steriscience Sp. Z o.o.	-	-	-	-	-	-	3.42	-		
Purchase of goods										
Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	0.06	49.20
Strides Pharma Science Limited	-	-	-	-	-	-	-	-	47.63	0.14
Stelis Biopharma Limited	-	-	-	-	-	-	-	-	1.80	90.72
Steriscience Sp. Z o.o.	-	-	-	-	-	-	43.37	34.71		
Research & development service										
Stelis Biopharma Limited	-	-	-	-	-	-	-	-	14.14	-
Purchase returns of goods										
Tenshi Pharmaceuticals Private Limited	-	21.14	-	-	-	-	-	-	-	-
Stelis Biopharma Limited	-	-	-	-	-	-	-	-	5.11	-
Business support service & IT expense										
Tenshi Pharmaceuticals Private Limited	21.82	17.76	-	-	-	-	-	-	-	-
Arcolab Private Limited	-	-	-	-	-	-	-	-	92.60	13.92
Security deposit paid										
Karuna Business Solutions LLP	-	-	-	-	-	-	-	-	-	75.86
Chayadeep Properties Private Limited	-	-	-	-	-	-	-	-	4.19	6.60
Rent										
Karuna Business Solutions LLP	-	-	-	-	-	-	-	-	101.14	33.71
Chayadeep Properties Private Limited	-	-	-	-	-	-	-	-	28.27	6.14
Employee cost										
Tarun Singh	-	-	-	-	21.90	17.50	-	-	-	-
Reimbursement of expenses										
Tenshi Kaizen Private Limited	-	-	-	-	-	-	-	0.19	-	-
Tenshi Pharmaceuticals Private Limited	-	0.15	-	-	-	-	-	-	-	-
Strides Pharma Science Limited	-	-	-	-	-	-	-	-	13.54	0.01
Recovery of expenses										
Brooks Steriscience Limited	-	-	-	0.35	-	-	-		-	-
Stelis Biopharma Limited										1.21
Strides Pharma Science Limited										0.07

HASKINS & SELLS
CHARTERED ACCOUNTANTS
BENGALURU

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited (CIN:U24304KA2020PTC137884)
Notes to the standalone financial statements for the year ended 31 Mar 2023
(Amount in Rupees Million, except for shares data or as otherwise stated)

Note No.

34.03 Balances with related parties

Particulars	Controlling parties		Jointly controlled entities		Directors /KMP/ Relatives of KMP		Fellow subsidiaries		Enterprises controlled, owned or significantly influenced by controlling parties, directors and key management personnel.	
	As at 31 Mar 2023	As at 31 Mar 2022	As at 31 Mar 2023	As at 31 Mar 2022	As at 31 Mar 2023	As at 31 Mar 2022	As at 31 Mar 2023	As at 31 Mar 2022	As at 31 Mar 2023	As at 31 Mar 2022
Equity shares										
Tenshi Pharmaceuticals Private Limited	362.76	362.09	-	-	-	-	-	-	-	-
Loans payable										
Tenshi Pharmaceuticals Private Limited	307.32	18.82	-	-	-	-	-	-	-	-
Interest payable										
Tenshi Pharmaceuticals Private Limited	24.54	13.75	-	-	-	-	-	-	-	-
Loans receivable										
Brooks Steriscience Limited	-	-	10.20	-	-	-	-	-	-	-
Interest receivable										
Brooks Steriscience Limited	-	-	2.02	1.94	-	-	-	-	-	-
Corporate guarantee received										
Tenshi Pharmaceuticals Private Limited	2,500.00	1,350.00	-	-	-	-	-	-	-	-
Security provided towards loan taken by										
Tenshi Kaizen Private Limited	-	-	-	-	-	-	220.00	220.00	-	-
Investments in equity shares										
Brooks Steriscience Limited	-	-	1,144.90	744.19	-	-	-	-	-	-
Security deposit										
Karuna Business Solutions LLP	-	-	-	-	-	-	-	-	75.86	75.86
Chayadeep Properties Private Limited	-	-	-	-	-	-	-	-	10.78	6.60
Other receivables										
Stelis Biopharma Limited	-	-	-	-	-	-	-	-	-	14.04
Trade receivables										
Brooks Steriscience Limited	-	-	25.35	19.86	-	-	-	-	-	-
Steriscience Sp. Z o.o.	-	-	-	-	-	-	14.88	2.45		
Stelis Biopharma Limited	-	-	-	-	-	-	-	-	1.01	10.52
Steriscience Pte Limited	-	-	-	-	-	-	234.09	249.47		
Strides Pharma Science Limited	-	-	-	-	-	-	-	-	-	0.08
Trade payables										
Tenshi Pharmaceuticals Private Limited	48.94	50.86	-	-	-	-	-	-	-	-
Stelis Biopharma Limited	-	-	-	-	-	-	-	-	-	106.97
Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	-	45.38
Strides Pharma Canada Inc	-	-	-	-	-	-	-	-	-	0.02
Tenshi Kaizen Private Limited	-	-	-	-	-	-	-	0.22	-	-
Strides Pharma Science Limited	-	-	-	-	-	-	-	-	59.57	0.01
Arcolab Private Limited	-	-	-	-	-	-	-	-	72.97	1.36
Steriscience Sp. Z o.o.	-	-	-	-	-	-	7.96	34.71		
Karuna Business Solutions LLP	-	-	-	-	-	-	-	-	27.31	-
Chayadeep Properties Private Limited	-	-	-	-	-	-	-	-	7.28	-
Payable pursuant to Business Transfer Agreement										
Tenshi Pharmaceuticals Private Limited	117.90	117.90	-	-	-	-	-	-	-	-

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Steriscience Specialties Private Limited

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Note No.

35A Business combination during FY 2021-22

On 25th October, 2021, the Company had entered into an agreement (the "Agreement") with Mylan Laboratories Limited to purchase assets for a purchase consideration of USD 10 Million (INR 746.63 Mio). Mylan is a global generic and specialty pharmaceuticals company.
The transaction was accounted as a Business Combination as per Ind AS 103. The effective date of business combination i.e. closing date was 30th November 2021.

The Company had engaged an independent valuer to determine the fair value of the assets taken over. As per the Agreement, some liabilities have been assumed the Company, and these have been evaluated by the management as at the end of the reporting period to have a remote possibility of outflow, and hence no provision has been recorded for these.

The details of Purchase consideration, assets acquired, and bargain purchase gain are given below:

Particulars	Fair Value (Rs.in Mio)
Purchase consideration	
Consideration discharge in cash	746.63
Total [A]	**746.63**
Assets acquired	
Leasehold Improvements	89.33
Plant & Machinery	659.39
Furniture and Fixtures	9.47
Office Equipments	3.76
Computers and Accessories	3.20
Dies and Punches	6.05
Motor Vehicles	0.17
Total [B]	**771.37**
Bargain Purchase Gain accounted in Capital Reserve [B - A]	**24.74**

35B Other Statutory Information

(a) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property
(b) The Company does not have any transactions with companies struck off.
(c) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
(d) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
(e) 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.
(f) The Company has borrowings from bank on the basis of security of current assets, the monthly 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 wilful 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:
(i) 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
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
(i)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:
(i) 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
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

35C Recent pronouncements

Amendments effective from April 1, 2023 :
On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to the Company from April 1, 2023.
i. Ind AS 101 – First time adoption of Ind AS
ii. Ind AS 102 – Share-based payment
iii. Ind AS 103 – Business Combinations
iv. Ind AS 107 – Financial Instruments: Disclosures
v. Ind AS 109 – Financial Instruments
vi. Ind AS 115 – Revenue from Contracts with Customers
vii. Ind AS 1 – Presentation of Financial Statements
viii.Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
ix. Ind AS 12 – Income Taxes
x. Ind AS 34 – Interim Financial Reporting
The Company is in the process of evaluating the impact of the above amendments on the Company's financial statements.

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(Amount in Rupees Million, except for shares data or as otherwise stated)

Note No.

36 **Analytical Ratios**

Particulars	As at 31 Mar 2023	As at 31 Mar 2022	Change	Explanation
Ratio Analysis				
Current ratio - *in times* (A) / (B)	**0.83**	**1.17**	**-29%**	Decreased due to new borrowings during the year
Current assets (A)	3,309.48	2,754.72		
Current liabilities (B)	3,968.08	2,356.92		
Debt-Equity ratio - *in times* (C) / (D)	**62.30**	**5.97**	**944%**	Increased due to new borrowings during the year
Debt including lease liabilities(C)	4,466.33	1,805.57		
Equity (D)	71.69	302.59		
Debt service coverage ratio - *in times* (E) / ((F) + (G))	-	-	**0%**	Not applicable as the Company is in loss.
Earnings Before Interest, Taxes, Depreciation and Amortisation (E)	(985.66)	(519.82)		
Debt repayment (F)	-	-		
Interest payments (G)	(74.05)	-		
Return on equity ratio (H) / (I)	**-567.46%**	**-127.25%**	**346%**	Primarily due to increase in loss during the year and hence reduction in net Equity.
Net loss (H)	(406.81)	(385.05)		
Equity (I)	71.69	302.59		
Inventory turnover ratio (K) / (L)	**1.53**	**0.63**	**143%**	Increase in business volume as compared to FY 2022
Cost of goods sold (K)	1,192.27	260.94		
Inventory (L)	779.32	413.76		
Trade receivables turnover ratio (M) / (N)	**6.83**	**2.68**	**155%**	Increase in business volume as compared to FY 2022
Revenue from operations (M)	3,111.95	674.23		
Average trade receivables (N)	455.87	251.65		
Trade payables turnover ratio (O) / (P)	**1.14**	**0.44**	**160%**	Increase in business volume as compared to FY 2022
Cost of goods sold (O)	1,192.27	260.94		
Average trade payables (P)	1,049.22	597.27		
Net capital turnover ratio (Q) / (R)	**(4.73)**	**1.69**	**-379%**	Due to increase in sales and negative working capital
Revenue from operations (Q)	3,111.95	674.23		
Working capital (R)	(658.60)	397.80		
Net profit ratio (S) / (T)	**-12.84%**	**-54.92%**	**-77%**	Increase in business volume as compared to FY 2022
Net loss (S)	(406.81)	(385.05)		
Total income (T)	3,167.15	701.13		
Return on capital employed (U) / (V)	**-3.36%**	**-16.96%**	**-80%**	Increase in business volume as compared to FY 2022
Earnings Before Interest and Taxes (U)	(152.46)	(357.64)		
Capital employed (V)	4,538.02	2,108.16		
Return on investment (W)/(X)	-	-	-	Not applicable
Income generated from investments (W)	-	-		
Time weighted average investments (X)	944.55	587.61		

37 The previous year's figures have been re-grouped/reclassified, where necessary to conform to current year's classification

38 The standalone financial statements are approved for issue by the board of directors on July 18, 2023

For and on behalf of Board of Directors

C Seetharamaiah
Director
DIN : 07405773

Place : Bengaluru
Date : July 18, 2023

Tarun Kumar Singh
Director
DIN : 08854953

Sterlscience Specialties Private Limited

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

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DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 2nd Annual Report together with the Audited Statement of Accounts of your Company for the financial year ended March 31, 2022.

1. Financial Results

The Financial Performance of the Company during the Financial Year ended March 31, 2022 is given below: -

Particulars	(Rupees in Millions)	
	2021-22	2020-21
Revenue from operations	674.23	14.16
Other Income	26.90	0.77
Total revenue	**701.13**	**14.93**
Less: Expenses		
• Expenses before Finance Cost and Depreciation	952.13	101.77
• Finance costs	26.70	9.33
• Depreciation and amortization expenses	107.36	-
Total Expenses	**1,086.18**	**111.10**
Profit/(Loss) Before Tax & Exceptional Items	**(385.05)**	**(96.17)**
Exceptional Items	-	-
Profit/(Loss) Before Tax	**(385.05)**	**(96.17)**
Provision for - Current Tax	-	-
- Deferred [Net] Charge (Credit)	-	-
Profit/ (Loss) after Tax	**(385.05)**	**(96.17)**

2. Business Performance Review

The main object of the Company is to engage in the business of research and development, manufacture, produce, sell, import, export, distribute, trade, market and deal otherwise in all kinds of pharmaceutical drugs and medicines, bulk drugs, compounds including but not limited to Carbapenems, general dry powder Injectables, Ampoules and Liquid vials amongst other dosage formats in India or elsewhere in the world.

During the year under review, your Company has registered a net loss of Rs. 385.05 Million as against net loss Rs. 96.17 in FY 2020-21. The Company is under growing stage being the 2nd year of incorporation and your directors are very confident of Company becoming a major player in Industry in the coming years.

Steriscience Specialties Private Limited

There is no change in the nature of business of the Company during the year.

3. **Dividend**

The Company being in its initial years of business, your directors do not recommend any dividend for the financial year ended March 31, 2022 and wish to invest into Company's future growth and to facilitate increased earnings in future.

4. **Transfer to Reserves**

The Company is not proposing to carry any amount to reserves for the financial year ended March 31, 2022.

5. **Share Capital**

As at March 31, 2022, the authorized capital of the Company stood at Rs. 5,500,000/- (Rupees Fifty-Five Lakhs Only) consisting of 150,000 (One Lakh Fifty Thousand) Equity Shares of Rs. 10/- (Rupees Ten Only) each and 4,00,000 (Four Lakh) Compulsorily Convertible Preference Shares of Rs. 10/- (Rupees Ten Only) each.

The issued, subscribed and paid up capital of the Company as on March 31, 2022 stood at Rs. 1,74,790/- (Rupees One Lakh Seventy-Four Thousand Seven Hundred and Ninety Only) divided into 17,479 (Seventeen Thousand Four Hundred and Seventy-Nine) fully paid up Equity Shares of Rs.10/- (Rupees Ten) each.

During the financial year 2021-22, the Company has allotted equity shares as under:

Sl. No	Date of Allotment	No of Shares	Issue Price (Per share)	Remarks
1.	May 03,2021	3,933	1,02,085	Issue of Equity Shares on private placement basis through preferential allotment to Medella Holdings Pte Ltd.

During the financial year 2021-22, the Company has not allotted any Compulsorily Convertible Preference Shares (CCPS).

6. **Subsidiaries**

As at March 31, 2022 the Company had the following Subsidiaries, Associate/ Investee Companies.

Sl No	Name of the Company	Nature of Relationship
1.	SteriBrooks Penems private Limited	Subsidiary
2.	Brooks Steriscience Limited	Associate

Steriscience Specialties Private Limited

The Company has disinvested its 100% holding in Steriscience Pte. Ltd Singapore and transferred the same to Six Rays Holdings Pte Ltd vide Share Purchase Agreement dated 09th March 2021.

Accounts of Subsidiaries

The Statement containing salient features of the financial statements of the Company's subsidiaries and Associates as required in Form AOC-1 is enclosed as **Annexure 1** to this report.

7. **Material changes and commitments affecting the financial position of the Company, which have occurred between the end of financial year and the date of this report**

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

8. **The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.**

No application has been filed or proceeding pending under Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.

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

The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions are not applicable.

10. **Public Deposit**

During the financial year 2021-22, the Company has not accepted or renewed any public deposits in terms of Sections 73 and 74 of the Companies Act, 2013 and the rules framed thereunder.

11. **Board of Directors and Key Managerial Personnel**

As on March 31, 2022, Mr. Aditya Arun Kumar, Mr. Tarun Kumar Singh, Mr. Ankur Nand Thadani, Mr. Mahadevan Narayanamoni, Mr. Chandrappa Seetharamaiah and Mr. Neeraj Sharma are the Directors of the Company. Also, Mr. Neeraj Sharma holds the position of Chief Executive Officer (CEO).

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During the Financial year under review, there were following changes on the Board of Directors of the Company:

- Mr. Ankur Nand Thadani and Mr. Mahadevan Narayanamoni were appointed as Non-Executive Directors of the Company on May 03, 2021 and subsequently regularized as Directors at the Extra Ordinary Meeting held on May 03, 2021.
- Mr. Aditya Arun Kumar who was appointed as Additional Director, on January 27, 2021 was regularized at the Extra Ordinary Meeting held on May 03, 2021.
- On June 02,2021 Mr. Chandrappa Seetharamaiah was appointed as an Additional Director of the Company and regularized at the Annual General Meeting held on October 29, 2021.
- On June 02,2021, Mr. Tarun Kumar Singh was appointed as the Whole Time Director for a period of 5(Five) Years.
- On November 22, 2021, Mr. Neeraj Sharma was appointed as an Additional Director and CEO of the Company.

Changes made in composition of Board from the close of financial year till the date of report:

There were no changes in the composition of Board from the close of financial year under review till the date of report.

12. Meetings of Board

During the year ended March 31, 2022, **14 (Fourteen)** Board Meetings were duly convened by the Company and the details are as under:

SI No	Date of the meeting	No. of Directors Present
1.	April 09, 2021	2
2.	April 19, 2021	2
3.	May 03,2021	2
4.	June 02, 2021	4
5.	June 08, 2021	2
6.	July 12, 2021	4
7.	September 22, 2021	5
8.	October 06, 2021	5
9.	October 29, 2021	5
10.	November 22,2021	5
11.	December 15,2021	3
12.	December 22,2021	2
13.	February 17, 2021	3
14.	March 02,2022	5

Number of meetings attended by each of the directors are as below:

Sl No	Name of the Directors	Number of meetings attended
1.	Tarun Kumar Singh	14
2.	Aditya Arun Kumar	10
3.	C Seetharamaiah	06
4.	Ankur Nand Thadani	08
5.	Mahadevan Narayanamoni	08
6.	Neeraj Sharma	03

13. Risk Management

The Company has a risk management framework for identifying and managing risks. Board of Directors of the Company regularly reviews the framework and amend as and when required.

14. Auditors

The Company in its Annual General Meeting held on October 29, 2021, have appointed M/s. Deloitte Haskins & Sells LLP (DHS), Bengaluru, Chartered Accountants (Firm Registration No. 008072S) were appointed as Statutory Auditors of the Company to hold the office till the conclusion of Sixth Annual General Meeting.

15. Audit Report

There are no qualifications, observations or adverse remarks in the Audit Report issued by the Auditors of the Company for the financial year ended March 31, 2022.

16. Particulars of Employees

The statement containing particulars of employees as required under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be open for inspection at the Registered Office of the Company during working hours and any member interested in obtaining a copy of the same may write to the Directors at the registered office of the Company.

17. Particulars of loans, guarantees or investments by the Company

Particulars of investments made, loans given and guarantees provided in terms of Section 186 of the Companies Act, 2013 during the Financial Year 2021-22 are as per details given below:

(Rs. in Million)

Name of the Entity	Relationship	Investment	Loan	Guarantee	Purpose
Brooks Steriscience Limited	Associate Company	744,19	-	-	Investment
Brooks Steriscience Limited	Associate Company	-	100	-	Business Purpose
Tenshi Kaizen Private Limited	Group Company with common Directors	-	-	220	Business Purpose

Steriscience Specialties Private Ltd

18. Particulars of Contracts or Arrangements with Related Parties

All the transactions entered with related parties are in the ordinary course of business and on arm's length basis.

Further, there are no materially significant related party transactions with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.

The particulars of material contracts or arrangements with related parties referred to in Section 188(1), as prescribed in Form AOC-2 of the Rule 8(2) of Companies (Accounts) Rules, 2014 is given as an **Annexure 2** to this Report.

19. Corporate Social Responsibility

The provisions of Section 135 of the Companies Act, 2013 were not applicable to the Company for the financial year 2021-22 as the Company has incurred losses.

20. Prevention of Sexual Harassment at Workplace

The Company is committed to provide a safe and conducive work environment to its employees. The Company has constituted a Posh committee and the policy for Prevention of Sexual Harassment at Workplace is in place.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

There were no incidents reported for year ended March 31, 2022.

21. Internal Financial Control

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

22. Significant and material orders passed by the Regulators or Courts or Tribunals

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

23. Director's Responsibility Statement

In accordance with Section 134(5) of the Companies Act, 2013, the Directors of your Company to the best of their knowledge and ability confirm that:

Steriscience Specialties Private Limited

a) in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.

b) they 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 that period;

c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) they have prepared the annual accounts of the Company on a going concern basis;

e) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

24. Conservation of Energy, Technology Absorption and Foreign Exchange Earning/ Outgo and Research & Development

The particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014 is enclosed as an **Annexure 3** to the Directors' Report.

25. Appreciation

Your Directors would like to express their grateful appreciation for the excellent support and co-operation received from the Shareholders, Customers, Financial Institutions, Banks, Government Authorities, Reserve Bank of India, Manufacturers and Suppliers to the Company.

We would like to place on record our sincere appreciation for the total commitment, dedication, untiring efforts and hard work put in by the employee members at all levels of the Company in realisation of the corporate goals in the years ahead.

For and on behalf of the Board of Directors of
Steriscience Specialties Private Limited

Place: Bengaluru	**Tarun Kumar Singh**	**C Seetharamaiah**
Date: September 30, 2022	**Director**	**Director**
	DIN: 08854953	**DIN: 07405773**

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited

Annexure - 1

Form AOC 1
(Pursuant to first proviso to sub section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/ Associate Companies/ Joint Ventures

PART A - SUBSIDIARIES

Rs. in Mio

No.	Name of the Subsidiary	Country of Incorporation	Reporting period for the subsidiary concerned, if different from the holding	Reporting Currency	Exchange Rate as on last date of the relevant Financial year in the case of foreign	(a) Share Capital (includes Monies pending allotment)	(b) Reserves & Surplus	(c) Total Assets	(d) Total liabilities	(e) Investments	(f) Turnover	(g) Profit before taxation	(h) Provision for taxation	(i) Profit after taxation	(j) Proposed dividend	(k) % Shareholding
1	SteriBrooks Penems Private Limited	India	NA	INR	NA	0.18	-18.36	9.26	9.26	-	25.74	-7.60	-	-7.60	-	55.67%

PART B - ASSOCIATES AND JOINT VENTURES

No.	Name of the Associates/JV	Country of Incorporation	Reporting period for the subsidiary concerned, if different from the holding company's reporting	Reporting Currency	Exchange Rate as on last date of the relevant Financial year in the case of foreign subsidiaries.	(a) Share Capital (includes Monies pending allotment)	(b) Reserves & Surplus	(c) Total Assets	(d) Total liabilities	(e) Investments	(f) Turnover	(g) Profit before taxation	(h) Provision for taxation	(i) Profit after taxation	(j) Proposed dividend	(k) % Shareholding
1	Brooks Steriscience Limited	India	NA	INR	NA	1.84	1158.65	1,440.43	1,440.43	-	203.56	(244.67)	45.85	(198.819)	0	40.35%

For and on behalf of Board of Directors of
Steriscience Specialties Private Limited

C Seetharamaiah
Director
DIN: 07405773

Tarun Kumar Singh
Director
DIN: 08854953

September 30, 2022
Bengaluru

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited

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 – There were no contracts or arrangements or transactions entered into by the Company with related parties during the year ended March 31, 2022 which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2022 are as below:

.).	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/transactions	Salient terms of the contracts or arrangements or transactions	Monetary Value upto (Rupees in Million)	Date(s) of approval by the Board	Amount paid as advances, if any
	Steriscience Sp. Zoo Step-Down Subsidiary	Sale of Goods	Upto March 31, 2022	Sale of Goods at Arm's Length	₹ 20.00	April 19, 2021	-
	Solara Active Pharma Sciences Limited Enterprises controlled, owned or significantly influenced by controlling parties, directors, key management personnel, promoter or person holding significant interest in the Company	Purchase of Goods	Upto March 31, 2022	Purchase of Goods at Arm's Length	₹ 50.00	April 19, 2021	-
	Strides Pharma Science Limited Enterprises controlled, owned or significantly influenced by controlling parties, directors, key management personnel, promoter or person holding significant interest in the Company	Purchase of Goods	Upto March 31, 2022	Purchase of Goods at Arm's Length	₹ 10.00	April 19, 2021	-

Steriscience Specialties Private Limited

Stelis Biopharma Limited Enterprises controlled, owned or significantly influenced by controlling parties, directors, key management personnel, promoter or person holding significant interest in the Company	Purchase of Goods	Upto March 31, 2022	Purchase of Goods at Arm's Length	₹ 300.00	April 19, 2021	-
Tenshi Life Sciences Private Limited Holding Company	Business and IT Support Services	Upto March 31, 2022	Business and IT Support Services	₹ 20.00	April 19, 2021	-
Arcolab Private Limited Enterprises controlled, owned or significantly influenced by controlling parties, directors, key management personnel, promoter or person holding significant interest in the Company	Integration of SPD & BLD plants and project management	Upto March 31, 2022	Integration of SPD & BLD plants and project management	₹ 15.00	April 19, 2021	-
Karuna Business Solutions LLP Enterprises controlled, owned or significantly influenced by controlling parties, directors, key management personnel, promoter or person holding significant interest in the Company	Lease of Building	Upto March 31, 2022	Lease of Property as per the rent specified in the agreement	₹ 110.00	22/11/2021	-
Steriscience Pte Limited Enterprises controlled, owned or significantly influenced by controlling parties, directors, key management personnel, promoter or person holding significant interest in the Company	Sale of Goods and Capacity Exclusivity Income	Upto March 31, 2022	Sale of Goods at Arm's Length	USD 42 Million	15/12/2021	-
Steriscience Pte Limited	Business Support Services	Upto March 31, 2022	Rendering of Services at Arm's Length	USD 2 Million	15/12/2021	-

	Enterprises controlled, owned or significantly influenced by controlling parties, directors, key management personnel, promoter or person holding significant interest in the Company						
)	Chayadeep Properties Private Limited Enterprises controlled, owned or significantly influenced by controlling parties, directors, key management personnel, promoter or person holding significant interest in the Company	Lease of Property	Upto March 31, 2022	Lease of Property as per the rent specified in the agreement	₹ 7.00	30/11/2021	
..	Stelis Biopharma Limited Enterprises controlled, owned or significantly influenced by controlling parties, directors, key management personnel, promoter or person holding significant interest in the Company	Sale of Goods	Upto March 31, 2022	Purchase of Goods at Arm's Length	₹ 8	April 19, 2021	-

For and on behalf of the Board of Directors of Steriscience Specialties Private Limited

Tarun Kumar Singh
Director
DIN: 08854953

C Seetharamaiah
Director
DIN: 07405773

Place: Bengaluru
Date: September 30, 2022

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited

Annexure 3

The particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014

A. **Conservation of Energy:** Measures have been taken by the company to reduce energy consumption using energy efficient equipment and by using the state of the art technology.

B. **Technology absorption:** Since business and technology are changing rapidly, investment in technology is of paramount importance to your company. The management has been continuously investing in updating the relevant technologies from time to time.

C. **Expenditure on Research & Development: Nil**

D. **Foreign Exchange Earnings and outgo:**

(Rs in Million)

	For the period ended March 31, 2022	For the period ended March 31, 2021
Earnings	2,154.66	14.16
Outgo	-103.19	-128.21

For and on behalf of the Board of Directors of Steriscience Specialties Private Limited

Tarun Singh
Director
DIN: 08854953

C Seetharamaiah
Director
DIN: 07405773

Place: Bengaluru
Date: September 30, 2022

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited

Deloitte Haskins & Sells

Chartered Accountants
Prestige Trade Tower, Level 19
46, Palace Road, High Grounds
Bengaluru - 560 001
Karnataka, India

Tel: +91 80 6188 6000
Fax: +91 80 6188 6011

INDEPENDENT AUDITOR'S REPORT

To The Members of Steriscience Specialties Private Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Steriscience Specialties Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, 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 specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the directors' 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.

Steriscience Specialties Private Limited

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Management's Responsibility 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 Ind AS and other accounting principles generally accepted in India.

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 standalone financial statement 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 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those 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 control 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 system in place and the operating effectiveness of such controls.

Steriscience Specialties Private Limited

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- 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 control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

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f. With respect to the adequacy of the internal financial controls over financial reporting 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 over financial reporting.

g. In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.

h. 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 does not have any pending litigations which would impact its financial position

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There 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 it's knowledge and belief, as disclosed in the Note 34B(h) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, 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 34B(h) to the financial statements, no funds have been received by the Company from any person or entity, 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 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 in contravention of the provisions of section 123 of the Companies Act, 2013.

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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 and Sells**
Chartered Accountants
Firm's Registration No.008072S

Sathya P. Koushik
Partner
Membership No. 206920
UDIN: 206920AYQUPV6655

Place: Bengaluru
Date: 30th September 2022

Steriscience Specialties Private Limited

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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Steriscience Specialties Private Limited ("the Company") as of March 31, 2022 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 based on the internal control over financial reporting 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 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 Company's internal financial controls over financial reporting 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. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Steriscience Specialties Private Limited

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Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 referred to in the Other Matters paragraph below, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the respective 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

Sathya P. Koushik
Partner
Membership No. 206920
UDIN: 22206920AYQUPV6655

Place: Bengaluru
Date: 30th September 2022

Stelis Biopharma Specialties Private Limited

Deloitte Haskins & Sells

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) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to size of the Company and nature of its assets. In accordance with the program, fixed assets were physically verified by the Management. According to information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The Company does not own any freehold land and buildings, thus reporting under clause (i) (c) of the Order is not applicable.

(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 2022 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 on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the statements comprising stock statements, book debt statements, statements on ageing analysis of the debtors 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:

Steriscience Specialties Private Limited

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(a) The Company has provided loans and security during the year and details of which are given below:

Amount (Rs in mio)

	Loans	Security
A. Aggregate amount granted / provided during the year:		
- Joint Ventures	100	-
- Others	-	220
B. Balance outstanding as at balance sheet date in respect of above cases:*		
- Others	-	220

*The amounts reported are at gross amounts, without considering provisions made.
The Company has not provided any guarantee to any other entity during the year.

(b) The security given and the terms and conditions of the grant of all the above-mentioned loans and security provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted or 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 of principal amounts and receipts of interest are regular as per stipulation.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(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) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year ended 31 March 2022.

(vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.

(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, Employees' State Insurance, 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 been regularly deposited by it with the appropriate authorities in all cases during the year.

Steriscience Specialties Private Limited

Deloitte Haskins & Sells

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2022.

(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.

(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, other than temporary deployment pending application in respect of term loans raised towards the end of the year.

(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, associates or joint ventures, as applicable.

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies, as applicable, and hence reporting on clause (ix)(f) of the Order is not applicable.

(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) The Company has made private placement of shares during the year. For such allotment of shares, the Company has complied with the requirements of Section 42 and Section 62 of the Companies Act, 2013, and the funds raised have been, prima facie, applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application. The Company has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures during the year.

(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 2022.

(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 his report.

Steriscience Specialties Private Limited

Deloitte Haskins & Sells

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

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

(xiii) In our opinion, the Company is in compliance with section 188 of the Companies Act 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. The Company is a private company and hence the provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.

(xiv) (a) The Company is not required to appoint an internal auditor, as per the provisions contained in Section 138 of Companies Act, 2013, which is also justified by the nature and size of the business of the Company. Hence reporting under (xiv) (a) of the Order is not applicable.

(b) The Company has not appointed internal auditors. Hence reporting under (xiv) (b) of the Order is not applicable.

(xv) In our opinion and according to the information and explanations given to us, during the year ended 31 March 2022 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 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. 277.21 million during the financial year covered by our audit and Rs. 96.17 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 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. 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.

Sterisience Specialties Private Limited

Deloitte
Haskins & Sells

(xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

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

Sathya P Koushik
(Partner)
(Membership No. 206920)
(UDIN: 22206920AYQUPV6655)

Place: Bengaluru
Date: 30th September, 2022

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited (formerly known as Steriscience Pharma Private Limited)
Standalone Balance Sheet as at 31 March 2022
(Amount in Rupees Million, except for shares data or as otherwise stated)

Particulars	Note No.	As at 31-Mar-2022	As at 31-Mar-2021
Assets			
Non-current assets			
Property, plant and equipment	2A	732.04	0.03
Right of Use Asset	2B	784.54	-
Capital Work in Progress	2C	2.47	-
Other intangible assets	2D	73.22	-
Intangible assets under development	2E	2.48	-
Financial assets			
Investments	3	744.19	431.03
Other financial assets	4	81.98	-
Other non-current assets	5	37.86	258.25
Total non-current assets		**2,458.78**	**689.31**
Current assets			
Inventories	6	765.85	61.66
Financial assets			
Trade receivables	7	391.78	111.51
Cash and cash equivalents	8	436.26	11.46
Other balances with banks	9	515.77	420.00
Other financial assets	4	3.70	0.03
Other current assets	5	641.36	93.49
Total current assets		**2,754.72**	**698.15**
Total assets		**5,213.50**	**1,387.46**
Equity and liabilities			
Equity			
Equity share capital	10	0.17	0.14
Other equity	11	302.42	265.79
Equity attributable to the owners of the company		**302.59**	**265.93**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	12	697.90	-
Lease Liabilities	13	640.71	-
Provisions	15	165.32	0.26
Other Non-Current Liabilities	16	1,050.06	-
Total Non-Current liabilities		**2,553.99**	**0.26**
Current liabilities			
Financial liabilities			
Borrowings	12	339.82	847.45
Lease Liabilities	13	127.14	-
Trade payables	17		
- Dues of micro and small enterprises		2.87	-
- Dues of other than micro and small enterprises		1,052.37	142.29
Other financial liabilities	14	169.23	126.53
Provisions	15	15.66	0.34
Other current liabilities	16	649.83	4.66
Total current liabilities		**2,356.92**	**1,121.27**
Total liabilities		**4,910.91**	**1,121.53**
Total equity and liabilities		**5,213.50**	**1,387.46**

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

Sathya P Koushik
Partner
Membership Number: 206920

Place : Bengaluru
Date : September 30, 2022

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

For and on behalf of Board of Directors

Aditya Arun Kumar
Director
DIN : 069999081

Tarun Kumar Singh
Director
DIN : 08854953

Place : Bengaluru
Date : September 30, 2022

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited (formerly known as Steriscience Pharma Private Limited)
Standalone Statement of Profit and Loss for the year ended 31 March 2022
(Amount in Rupees Million, except for shares data or as otherwise stated)

Particulars	**Note No.**	**For the year ended 31 March 2022**	**For the period from 29 August 2020 to 31 March 2021**
Revenue from operations	18	674.23	14.16
Other income	19	26.90	0.77
Total income		**701.13**	**14.93**
Expenses			
Cost of material consumed	20	331.56	12.63
Changes in inventories of finished goods and work-in-progress	21	(70.62)	-
Employee benefits expense	22	332.60	11.82
Finance costs	23	26.70	9.33
Depreciation and amortisation expense	24	107.36	-
Other expenses	25	358.59	77.32
Total expenses		**1,086.18**	**111.10**
Loss before tax		**(385.05)**	**(96.17)**
Tax expense			
Current tax		-	-
Deferred tax		-	-
Loss for the period		**(385.05)**	**(96.17)**
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss	30	(4.52)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss		-	-
Total other comprehensive income		(4.52)	-
Total comprehensive loss for the period		**(389.57)**	**(96.17)**
Earnings per equity share (face value of Rs. 10/- each)			
Basic (in Rs.)		(22,472.86)	(7,944.65)
Diluted (in Rs.)		(22,472.86)	(7,944.65)

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

Sathya P Koushik
Partner
Membership Number: 206920

Place : Bengaluru
Date : September 30, 2022

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

For and on behalf of Board of Directors

Aditya Arun Kumar
Director
DIN : 069999081

Tarun Kumar Singh
Director
DIN : 08854953

Place : Bengaluru
Date : September 30, 2022

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited (formerly known as Steriscience Pharma Private Limited)
Standalone Statement of Cash flows for the year ended 31 March 2022
(Amount in Rupees Million, except for shares data or as otherwise stated)

Particulars	For the year ended 31 March 2022	For the period from 29 August 2020 to 31 March 2021
Cash flow from operating activities		
Profit/(Loss) before tax for the period	**(385.05)**	**(96.17)**
Adjustments for:		
Depreciation and amortisation	107.36	-
Interest Income on Bank Deposit	(11.71)	(0.03)
Interest Income on Intercorporate Deposit	(2.15)	-
Profit on Sale of Investments	(9.53)	-
Interest Income from financial assets	(1.99)	-
Finance Costs	26.70	9.33
Unrealised exchange (gain)/loss (net)	0.38	-
Investment written off	0.10	-
Operating profit before working capital changes	**(275.89)**	**(86.87)**
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(425.87)	(15.59)
Inventories	(704.18)	-
Other Financial Assets	(2.28)	(20.09)
Other assets	(195.89)	(5.22)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	950.16	34.39
Other Financial liabilities	34.07	-
Other liabilities	1,695.23	5.27
Cash generated from operations	**1,075.35**	**(88.11)**
Net income tax (paid) / refunds	-	-
Net cash flow from/ (utilised) in operating activities (A)	**1,075.35**	**(88.11)**
Cash flow from investing activities		
Sale of Investments	340.46	-
Capital expenditure on fixed assets, including capital advances	(785.45)	(258.25)
Proceeds/(Investment) in fixed deposits with maturity of more than 3 months, net	(516.12)	-
Security Deposit Paid	(115.40)	-
Investments in subsidiaries	-	(331.03)
Investments in joint venture	(525.80)	(100.00)
Net cash flow utilised in investing activities (B)	**(1,602.31)**	**(689.28)**
Cash flow from financing activities		
Proceeds from issue of equity shares	401.50	362.10
Proceeds from Secured loans (net)	1,016.75	-
Payment of interest portion of lease liabilities	(18.71)	-
Payment of principal portion of lease liabilities	(39.15)	-
Proceeds from /(repayment of) inter-corporate deposits	(820.00)	847.45
Interest Paid on inter-corporate deposits	(8.63)	(0.70)
Net cash flow generated from financing activities (C)	**531.76**	**1,208.85**
Net increase in cash and cash equivalents during the year/period (A+B+C)	**4.80**	**431.46**
Cash and cash equivalents at the beginning of the year	**431.46**	**-**
Cash and cash equivalents at the end of the year/period*	**436.26**	**431.46**
* Comprises		
Cash on hand	0.11	-
Balance with banks:		
- In current account	436.15	11.46
- In deposit account	-	420.00
Total	**436.26**	**431.46**

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

Sathya P Koushik
Partner
Membership Number: 206920

Place : Bengaluru
Date : September 30, 2022

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

For and on behalf of Board of Directors

Aditya Arun Kumar
Director
DIN : 069999081

Tarun Kumar Singh
Director
DIN : 08854953

Place : Bengaluru
Date : September 30, 2022

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited (formerly known as Steriscience Pharma Private Limited)
Standalone Statement of changes in equity for the year ended 31 March 2022
(Amount in Rupees Million, except for shares data or as otherwise stated)

A Equity share capital

Current reporting period

Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
0.14	0.03	0.17

Previous reporting period

Balance as at 29 August 2020	Changes in equity share capital during the current period	Balance at the end of the current reporting period
-	0.14	0.14

B Other equity

Current reporting period

Particulars	Reserves and Surplus			OCI	
	Capital Reserve	Securities premium account	Retained earnings	Re - measurement of the defined benefit liabilities / (assets)	Total equity attributable to equity holders of the Company
Balance at the beginning of the current reporting period	-	361.96	(96.17)	-	265.79
Loss for the year	-	-	(385.05)	-	(385.05)
Premium received on shares issued during the year	-	401.46	-	-	401.46
Addition during the year	24.74	-	-	-	24.74
Other Comprehensive Income for the year	-	-	-	(4.52)	(4.52)
Balance at the end of the current reporting period	**24.74**	**763.42**	**(481.22)**	**(4.52)**	**302.42**

Previous reporting period

Particulars	**Reserves and Surplus**			**OCI**	
	Capital Reserve	**Securities premium account**	**Retained earnings**	**Re - measurement of the defined benefit liabilities / (assets)**	**Total equity attributable to equity holders of the Company**
Balance as at 29 August 2020	-	-	-	-	-
Loss for the period	-	-	(96.17)	-	(96.17)
Premium received on shares issued during the period	-	361.96	-	-	361.96
Balance at the end of the previous reporting period	-	**361.96**	**(96.17)**	-	**265.79**

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

Sathya P Koushik
Partner
Membership Number: 206920

Place : Bengaluru
Date : September 30, 2022

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

For and on behalf of Board of Directors

Aditya Arun Kumar
Director
DIN : 069999081

Tarun Kumar Singh
Director
DIN : 08854953

Place : Bengaluru
Date : September 30, 2022

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited

Note No.

1 Company information and Significant accounting policies

Steriscience Specialties Private Limited (formerly known as Steriscience Pharma Private Limited) (the "Company") is a private limited Company incorporated on August 29, 2020 under the provisions of Companies Act, 2013 with the object of, inter alia, undertaking the business of development, manufacturing, marketing and distribution of niche pharmaceuticals products such as injectables for various markets. The Company has its registered address at Plot No 30, Galaxy, 1st Main Road, J.P. Nagar, Third Phase, Bengaluru - 560078.

1.1 Basis of preparation and presentation

These financial statements have been prepared to comply in all material aspects with the 'Indian Accounting Standards' ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") read with Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter, as applicable to the Company, and other relevant provisions of the Act.

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value as described in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange of assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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.

1.2 Use of estimates and judgements

In the application of the Company's accounting policies, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

(a) Useful lives of property, plant and equipment

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

(b) Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

(c) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(d) Leases under Ind AS 116

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period 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 periods is reassessed to ensure that the lease term reflects the current economic circumstances.

1.3 Revenue recognition

Sale of goods

Revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon despatch of goods to the customer, in accordance with the delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as sales tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale.

Sale of Services

Revenue from fixed-price, fixed time frame contracts, where the performance obligations are satisfied over time is recognized on a straight-line basis over the specified period unless some other method better represents the stage of completion, provided there is no uncertainty as to measurement or collectability of the consideration.

Revenue from development service is recognised on cost plus a mark up agreed with the customer.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited

Note No.

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.

1.4 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the consideration that was paid in cash. Acquisition-related costs are generally recognised in statement of profit and loss as incurred.

Capital reserve is measured as the excess of the fair value of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed and sum of the consideration transferred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 19 Employee Benefits.

1.5 Foreign currencies transactions and translation

The functional currency of the Company is the Indian Rupee (Rs.).

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated. Income and expense items in foreign currency are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

1.6 Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

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 period 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.

Interest 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 period in which they are incurred.

1.7 Employee benefits

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 period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited

Note No.

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 annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognised in statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period 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 statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

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 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.

Defined contribution plan

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

Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period 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 period 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.

1.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

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 period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the 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 (other than in a business combination) 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 period 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 period 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 period.

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 period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in statement of profit and 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. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

DELOITTE HASKINS & SELLS * BENGALURU * CHARTERED ACCOUNTANTS

Sterisicence Specialties Private Limited

Sterisicence Specialties Private Limited

Notes to the standalone financial statements for the year ended 31 March 2022
(Amount in Rupees Million, except for shares data or as otherwise stated)

Note No.

1.9 **Property, plant and equipment**

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.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and 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 period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Depreciation on the assets acquired through business combination has been provided on the straight-line method as per the useful life prescribed in the valuation report of the Independent Valuer.

Building : 10 to 30 years
Individual assets costing less than Rs. 5,000 are depreciated in full in the year of purchase.

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.

Intangible Assets
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 period, 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.

1.10 Leases

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.
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.

1.11 **Impairment of assets**

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 and associates:
The Company reviews its carrying value of investments in subsidiaries and associates 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.

Impairment of non-financial assets:
At the end of each reporting period, 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.

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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 and 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.

1.12 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 are valued on the basis of material cost.
Cost is determined as follows:
Raw materials, packing materials and consumables: weighted average basis
Work-in progress: at material cost
Finished goods: at material cost

1.13 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 period, 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.

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.

1.14 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 nonoccurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

1.15 Financial instruments

Other financial assets and financial liabilities

Other financial assets and financial liabilities are recognised when 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.

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 other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

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.

Financial liabilities

Financial liabilities are measured at amortised cost using effective interest rate method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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.

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1.16 Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company assesses the financial performance and position of the Company, and makes strategic decisions. The whole time directors, has been identified as the chief operating decision maker ('CODM').

1.17 Earnings per share

Basic earnings per share are computed by dividing statement of profit and loss attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

1.18 Operating Cycle

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 12 months. The above basis is used for classifying the assets and liabilities into current and non-current as the case may be.

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2A Property, plant and equipment and Intangible assets - as of 31 March 2022

Tangible Asset

Particulars	Gross block					Accumulated depreciation				Net block	
	As at April, 2021	Additions: By Acquisition on business combination	Additions: During the year	Disposals	As at March 31, 2022	As at April, 2021	Depreciation for the period	Eliminated on disposal	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Leasehold Improvement	-	89.33	-	-	89.33	-	2.96	-	2.96	86.37	-
Furniture & Fixtures	-	9.47	-	-	9.47	-	1.27	-	1.27	8.20	-
Office Equipments	0.03	3.76	-	-	3.79	-	1.83	-	1.83	1.96	0.03
Computers and accessories	-	3.20	6.57	-	9.76	-	4.15	-	4.15	5.61	-
Plant & Machinery	-	659.39	-	-	659.39	-	33.71	-	33.71	625.68	-
Dies & Punches	-	6.05	-	-	6.05	-	3.47	-	3.47	2.58	-
Vehicles	-	0.17	-	-	0.17	-	0.01	-	0.01	0.16	-
Servers & Networks	-	-	1.49	-	1.49	-	0.01	-	0.01	1.48	-
Total	**0.03**	**771.37**	**8.06**	**-**	**779.45**	**-**	**47.41**	**-**	**47.41**	**732.04**	**0.03**

2B Right to Use of Asset

Particulars	Gross block				Accumulated depreciation				Net block	
	As at April, 2021	Additions	Disposals	As at March 31, 2022	As at April, 2021	Depreciation for the period	Eliminated on disposal	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Buildings	-	841.51	-	841.51	-	56.97	-	56.97	784.54	-
Total	**-**	**841.51**	**-**	**841.51**	**-**	**56.97**	**-**	**56.97**	**784.54**	**-**

2C Capital work-in-Progress

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	-	-
Add: Additions during the year	852.52	0.03
Less: Capitalised during the year	(847.57)	(0.03)
Closing Balance	**4.95**	**-**

Capital work-in-progress ageing schedule

Particulars	As at March 31, 2022	As at March 31, 2021
	Amount in CWIP for a	
	Less than 1 year	
Projects in progress	2.47	-
Projects temporarily suspended	-	-
	2.47	-

2D Other Intangible Asset

Particulars	Gross block				Accumulated depreciation				Net block	
	As at April, 2021	Additions	Disposals	As at March 31, 2022	As at April, 2021	Depreciation for the period	Eliminated on disposal	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Software	-	76.20	-	76.20	-	2.98	-	2.98	73.22	-
Total	**-**	**76.20**	**-**	**76.20**	**-**	**2.98**	**-**	**2.98**	**73.22**	**-**

2E Intangible Assets under development ageing schedule

Particulars	As at March 31, 2022	As at March 31, 2021
	Amount in IUD for a period	
	Less than 1 year	
Projects in progress	2.48	-
Projects temporarily suspended	-	-
	2.48	-

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Note No.	Particulars	As at 31-Mar-2022			As at 31-Mar-2021		
3	**Investments**	Qty	Amount Current	Amount Non-Current	Qty	Amount Current	Amount Non-Current
	(A) Investments in subsidiaries (carried at cost):						
	Equity shares, unquoted						
	Steriscience Pte. Ltd, Singapore -Nil, (PY- 4,500,000 shares of USD 1 each fully paid up)	-	-	-	45,00,000	-	330.93
	(B) Investments in joint ventures (carried at cost):						
	Equity shares, unquoted						
	Steribrooks Penems Private Limited (refer note iii below) - 10,000 shares of Rs 10 each fully paid up (PY - 10,000 shares)	10,000	-	-	10,000	-	0.10
	Equity shares, unquoted						
	Brooks Steriscience Limited (refer note ii below) - 114,490 shares of Rs.10,000/- each out of which Rs 6500 each has been paid up, (PY -Nil)	1,14,490	-	744.19	-	-	-
	Optionally convertible preference shares, unquoted						
	Brooks Steriscience Limited (refer note ii below) -Nil, (PY-10,000 shares of Rs 10 each at an issue price of Rs.10,000 each)	-	-	-	10,000	-	100.00
	Total	**1,24,490**	**-**	**744.19**	**45,20,000**	**-**	**431.03**
	Aggregate carrying value of unquoted investments		-	744.19		-	431.03
	Aggregate amount of investments carried at cost		-	744.19		-	431.03

Notes:

(i) The Company has entered into a Share Transfer Agreement dated March 09, 2021 for sale of 4,500,000 shares in Steriscience Pte. Ltd, Singapore to Six Rays Holdings Pte Ltd for a consideration of USD 4.55 Million. Pursuant to the above agreement, Company has transferred the shares during the year. The company has made a profit of INR 9.53 Million in this deal, refer note no.19.

(ii) During the year the investment in Optionally Convertible Preference Shares of Brooks Steriscience Limited has been converted to equity shares on preferential basis at an issue price of Rs.10,000/- including a premium of Rs.9,990/- per equity shares. Out of which Rs.4,000/- per share was paid on issue and Rs.2,500/- was paid on first call totalling Rs.6,500/- total paid up as on 31-03-2022.

(iii) During the year, the Company has impaired the investment made in Steribrooks Penems Private Limited.

(iv) As consolidated financial statements is being prepared by the parent company, Tenshi Life Sciences Private Limited, the Company, by way of exemption available as per para 4 of Ind AS 110 Consolidated Financial Statements has opted not to prepare consolidated financial statements.

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4 **Other Financials Assets**

Particulars	As at 31-Mar-2022		As at 31-Mar-2021	
	Current	Non- Current	Current	Non-Current
Unsecured, considered good:				
Interest accrued on loans given to related parties	1.94	-	0.03	-
Interest accrued on bank deposits	0.86	-	-	-
Security Deposit	0.90	81.98	-	-
Total	**3.70**	**81.98**	**0.03**	**-**

5 **Other Assets**

Particulars	As at 31-Mar-2022		As at 31-Mar-2021	
	Current	Non- Current	Current	Non-Current
Unsecured, considered good:				
Capital Advances	60.48	37.43	-	258.25
Advances to suppliers	61.65	-	81.81	-
Prepaid expenses	35.34	0.43	-	-
Advance to Employees	15.04	-	-	-
Other Receivable	131.59	-	-	-
Balances with Government authorities:				
- GST credit receivable	334.05	-	11.68	-
- TDS & TCS receivable	3.21	-	-	-
Total	**641.36**	**37.86**	**93.49**	**258.25**

6 **Inventories**

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
Raw Materials (Including packing materials and goods-in-transit)	603.09	61.66
Work-in-progress	4.83	-
Finished goods	65.80	-
Consumables	92.13	-
Total	**765.85**	**61.66**

7 **Trade receivables**

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
Undisputed Trade receivables -considered good	391.78	111.51
	391.78	**111.51**
Less: Allowance for credit loss	-	-
Total	**391.78**	**111.51**

Trade receivables ageing schedule as at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					As at 31-Mar-2022
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables -considered good	372.96	18.82				391.78
	372.96	18.82	-	-	-	391.78

Trade receivables ageing schedule as at March 31, 2021

Particulars	Outstanding for following periods from due date of payment					As at 31-Mar-2021
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables -considered good	15.59	95.92				111.51
	15.59	95.92	-	-	-	111.51

8 **Cash and cash equivalents**

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
Cash on hand	0.11	-
Balance with banks:		
- In current accounts	436.15	11.46
Total	**436.26**	**11.46**

9 **Other balances with banks**

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
In deposit accounts	295.77	420.00
In earmarked accounts:		
- Balance held as margin money against working capital facilities with banks	220.00	-
Total	515.77	420.00

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Note No.	Particulars	As at 31-Mar-2022		As at 31-Mar-2021	
10	**Equity share capital**	No. of shares	Amount	No. of shares	Amount
	Authorised				
	Equity shares of Rs. 10/- each	1,50,000	1.50	1,50,000	1.50
	Issued, subscribed and fully paid-up				
	Equity shares of Rs. 10/- each	17,479	0.17	13,546	0.14
	Total	**17,479**	**0.17**	**13,546**	**0.14**

Particulars	As at 31-Mar-2022		As at 31-Mar-2021	
Compulsorily Convertible Preference Shares	No. of shares	Amount	No. of shares	Amount
Authorised				
Preference shares of Rs. 10/- each	4,00,000	4.00	4,00,000	4.00
Issued, subscribed and fully paid-up				
Preference shares of Rs. 10/- each	-	-	-	-
Total	-	-	-	-

(i) Reconciliation of number of shares and amount outstanding:

Particulars	As at 31-Mar-2022		As at 31-Mar-2021	
Equity shares of Rs. 10/- each	No. of shares	Amount	No. of shares	Amount
Opening balance	13,546	0.14	-	-
Add: Shares issued during the period	3,933	0.03	13,546	0.14
Closing balance	17,479	0.17	13,546	0.14

(ii) **Detail of the rights, preferences and restrictions attaching to each class of shares:**
Equity shares of Rs. 10/- each
The Company has only one class of equity shares, having a par value of Rs.10/-. The holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the board of directors is subject to approval by the shareholders at the ensuing annual general meeting.
In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution to all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

(iii) **Shares held by promoters at the end of the year:**

Promoter Name	As at 31-Mar-2022			As at 31-Mar-2021		
	Number of shares	% of total shares	% Change during the Year	Number of shares	% of total shares	% Change during the Period
Tenshi Life Sciences Private Limited	13,546	77%	0%	13,545	99.99%	99.99%

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

Name of the shareholder	As at 31-Mar-2022		As at 31-Mar-2021	
	No. of Shares	% of holding	No. of Shares	% of holding
Equity shares of Rs. 10/- each				
Tenshi Life Sciences Private Limited	13,546	77.50%	13,545	99.99%
Medella Holdings Pte. Ltd	3,933	22.50%	-	0.00%
Aditya Arun Kumar	-	0.00%	1	0.01%

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11 **Other equity**

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
Capital reserve (Refer note (i) below)	24.74	-
Securities premium account (Refer note (ii) below)	763.42	361.96
Retained earnings (Refer note (iii) below)	(481.22)	(96.17)
Other comprehensive income ((Refer note (iv) below)	(4.52)	-
Total	**302.42**	**265.79**

(i) **Capital Reserve**

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
Opening balance	-	-
Addition during the year (Refer note 32)	24.74	-
Closing balance	**24.74**	-

(ii) **Securities premium account**

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
Amounts received on issue of shares in excess of the par value has been classified as securities premium.		
Opening balance	361.96	-
Add: Premium on shares issued during the period	401.46	361.96
Closing balance	**763.42**	**361.96**

(iii) **Retained earnings**

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
Retained earnings comprises of the amounts that can be distributed by the Company as dividends to its equity share holders.		
Opening balance	(96.17)	-
Add: Net loss attributable to owners of the Company	(385.05)	(96.17)
Closing balance	**(481.22)**	**(96.17)**
Total reserves and surplus	**306.94**	**265.79**

(iv) **Other comprehensive income**

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
Opening balance	-	-
Addition during the year	(4.52)	-
Closing balance	**(4.52)**	-

12 **Borrowings**

Particulars	As at 31-Mar-2022		As at 31-Mar-2021	
	Current	Non- Current	Current	Non- Current
Secured borrowings:				
Term Loan from Bank	-	697.90	-	-
Packing Credit	321.00	-	-	-
Unsecured borrowings:				
Inter-corporate deposit from related party	18.82	-	847.45	-
Total	**339.82**	**697.90**	**847.45**	-

Terms of repayment and security - HDFC Term Loan	As at 31-Mar-2022	As at 31-Mar-2021
Non-current borrowings	697.90	-
Current maturities of non-current borrowings	-	-
Security: First charge on stocks,book debts and Plant & Machinery,20% of exposure as FD collateral. Second charge on Plant & Machinery, CG of Tenshi Life Sciences Private Limited, 20% of exposure as FD collateral.		
Rate of interest: Floating rate i.e. 7.5%+spread		
Repayment to be made over 30 quarterly instalments starting from starting April 2023.		
The loan is supported by corporate guarantee of Tenshi Life Sciences Private Limited.		

13 **Lease Liabilities**

Particulars	As at 31-Mar-2022		As at 31-Mar-2021	
	Current	Non- Current	Current	Non- Current
Lease Liabilities	127.14	640.71	-	-
			-	-
Total	**127.14**	**640.71**	-	-

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Note No.

14 **Other Financial Liabilities**

Particulars	As at 31-Mar-2022		As at 31-Mar-2021	
	Current	Non- Current	Current	Non- Current
Interest accrued but not due on loans	15.80	-	8.63	-
Payable on account of business purchase (Refer note (ii) below)	117.90	-	117.90	-
Employee related payables	31.91	-	-	-
Creditors for capital supplies/services	3.62	-	-	-
Total	**169.23**	-	**126.53**	-

15 **Provisions**

Particulars	As at 31-Mar-2022		As at 31-Mar-2021	
	Current	Non- Current	Current	Non- Current
Provision for employee benefits:				
Gratuity	11.83	130.39	-	0.26
Compensated absences	3.83	34.93	0.34	-
Total	**15.66**	**165.32**	**0.34**	**0.26**

16 **Other Liabilities**

Particulars	As at 31-Mar-2022		As at 31-Mar-2021	
	Current	Non- Current	Current	Non- Current
Deferred revenue	628.78	1,050.06	-	-
Statutory liabilities	21.05	-	4.66	-
Total	**649.83**	**1,050.06**	**4.66**	-

17 **Trade payables**

Particulars	As at 31-Mar-2022		As at 31-Mar-2021	
	Current	Non- Current	Current	Non- Current
Dues of micro and small enterprises (Refer note (i) below)	2.87	-		
Dues of other than micro and small enterprises	1,052.37		142.29	
Total	**1,055.24**	-	**142.29**	-

Trade payables ageing schedule as at March 31, 2022

Particulars	Outstanding for following periods from due date of payment				As at 31-Mar-2022
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
(i) MSME	2.87	-	-	-	2.87
(ii) Others	1,052.34	0.02	-	-	1,052.37
	1,055.22	**0.02**	-	-	**1,055.24**

Trade payables ageing schedule as at March 31, 2021

Particulars	Outstanding for following periods from due date of payment				As at 31-Mar-2021
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
(i) MSME	-	-	-	-	-
(ii) Others	142.29		-	-	142.29
	142.29	-	-	-	**142.29**

(i) **Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:**

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
(a) The principal amount due to micro and small enterprises remaining unpaid to any supplier as at the end of each year		
- Principal amount DUE to micro and small enterprises	2.87	-
- Interest due on the above	0.01	-
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	13.82	-
(c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	0.11	-
(d) The amount of interest accrued and remaining un-paid at the end of each accounting year	0.12	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under the MSMED Act, 2006	0.12	-

This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

(ii) The Company had entered into a BTA with Tenshi Pharmaceuticals Private Limited in FY 20-21 and along with that, the receivables from Brooks Steriscience Limited were assigned to the company. The original plan was to use the inflows from Brooks Steriscience Ltd to settle this BTA payable.
But since the receivable from Brooks Steriscience Limited got converted into equity during the year, hence the settlement of BTA got delayed. The company is intent to settle the same by March 2023.

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Note No.	Particulars	For the year ended 31 March 2022	For the period from 29 August 2020 to 31 March 2021
18	**Revenue from operations**		
	Sale of products	345.45	14.16
	Sale of Service	324.96	-
	Sale of Scrap	3.82	-
	Total	**674.23**	**14.16**

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by nature of services. The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

Sale of product - Export	228.13	14.16
Sale of product - Domestic	117.32	-
Sale of Service - Export	306.96	-
Sale of Service - Domestic	18.00	-
Total	**670.41**	**14.16**

Disaggregated revenue information

(a) In the following table, revenue from contracts with customers is disaggregated by primary geographical market

Revenue from contracts with customers		
Singapore	523.52	-
India	144.96	-
Poland	5.75	14.16
Total	**674.23**	**14.16**

Geographical revenue is allocated based on the location of the customers.

(b) **Revenue from major customers**

Revenue from two customer of the Company is Rs. 633.31 Million which is individually more than 10 percent of the Company's total revenue.

Particulars	For the year ended 31 March 2022		For the period from 29 August 2020 to 31 March 2021	
	Percentage	Amount	Percentage	Amount
Customer -1	78%	523.52	100%	14.16
Customer -2	16%	109.61	-	-

Note No.	Particulars	For the year ended 31 March 2022	For the period from 29 August 2020 to 31 March 2021
19	**Other income**		
	Interest from banks on deposits	11.71	0.03
	Interest on intercorporate deposits	2.15	-
	Gain on sale of investment [refer note 3(i)]	9.53	-
	Interest Income from financial assets	1.99	-
	Gain on forwards contract cancellation	1.46	-
	Duty drawback	0.06	-
	Net gain on foreign currency transactions	-	0.74
	Total	**26.90**	**0.77**
20	**Cost of materials consumed**		
	Opening Stock	61.66	-
	Add: Purchases	965.12	74.29
	Less: Closing stock	695.22	61.66
	Total	**331.56**	**12.63**
21	**Changes in inventories of finished goods and work-in-progress**		
	Inventories at the end of the year:		
	- Finished goods	65.80	-
	- work-in-progress	4.82	-
	Inventories at the beginning of the year:		
	- Finished goods	-	-
	- work-in-progress	-	-
	Net (increase) / decrease	**(70.62)**	**-**
22	**Employee benefits expense**		
	Salaries and wages	299.93	11.06
	Contribution to provident and other funds	22.31	0.76
	Staff welfare expenses	10.36	-
	Total	**332.60**	**11.82**

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Note No.	Particulars	For the year ended 31 March 2022	For the period from 29 August 2020 to 31 March 2021
23	**Finance costs**		
	Interest on inter-corporate deposit from related party	5.69	9.33
	Interest on Lease Liability	18.71	-
	Other Interest	2.29	-
	Total	**26.70**	**9.33**
24	**Depreciation and amortisation expense**		
	Depreciation on Property, plant and equipment	47.41	-
	Depreciation on ROU Assets	56.97	
	Amortisation of Intangible Assets	2.98	-
	Total	**107.36**	**-**
25	**Other expenses**		
	Consumables	109.38	13.34
	Factory Rent	0.73	-
	Power charges	58.51	-
	Water Charges	3.12	-
	Outsourcing Charges	29.48	
	Security & Housekeeping Charges	12.28	-
	Rates and taxes	1.61	0.42
	Freight and forwarding	10.35	1.56
	Printing & Stationery	3.04	0.01
	Insurance	10.92	-
	Staff Recruitment Expenses	8.01	-
	Loss reimbursed to the Group Company (Refer note (ii) below)	-	23.73
	Legal and professional fees	55.11	36.45
	Payments to statutory auditors (Refer note (i) below)	1.85	1.37
	Repairs and Maintenance		
	Building	6.61	-
	Machinery	6.07	-
	IT	3.33	0.18
	Travelling and conveyance	6.70	-
	Communication Expenses	0.39	-
	Licenses fee	17.87	-
	Net loss on foreign currency transactions and translation	10.27	-
	Bank charges	0.72	0.22
	Investment written off	0.10	
	Miscellaneous expenses	2.14	0.04
	Total	**358.59**	**77.32**
(i)	**Payments to the Statutory Auditors comprises (net of taxes) for:**		
	Audit of financial statements	1.80	0.75
	Audit of special purpose financial statements	-	0.30
	Other services	0.05	0.32
	Total	**1.85**	**1.37**

(ii) Amount cross charged by Group Company in respect of differential pricing for sales of Meropenem in local market instead of European market, since the product was not approved by the European regulatory.

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26 Tax expenses

Current tax: During the year, the Company does not have taxable income as per regular computation and as per minimum alternate tax under Sec 115JB of the Income Tax Act 1961.

Deferred tax: The Company has incurred losses in the current year. 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, 2022.

27 Leases

Company as a lessee : The Company has entered into lease arrangements for land and office buildings, Refer Note 1.10 for the accounting policies adopted by Company respectively in respect of Ind AS 116.

Movement in lease liabilities during the year:

Lease liabilities

Particulars	31-Mar-22	31-Mar-21
Opening balance		-
Additions	807.00	-
Interest	18.71	-
Lease payments	(57.86)	-
Closing balance	**767.85**	-
Current	127.14	
Non-current	640.71	-

Maturity analysis of OLL	31-March-22			31-March-21		
	1 year	1 to 5 years	More than 5 years	1 year	1 to 5 years	More than 5 years
Factory Building	127.14	640.71	-	-	-	-

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).

28 Commitments and Contingent liabilities (to the extent not provided for)

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
a) Contingent liabilities	-	-
b) Commitments - Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	421.07	78.59

29 Earnings per share:

Particulars	For the year ended 31 March 2022	For the period from 29 August 2020 to 31 March 2021
Loss attributable to the equity holders of the Company	(385.05)	(96.17)
Weighted average number of equity shares used as denominator in calculating earnings per share	17,134	12,105
Basic earnings per share (Amount in Rs.)	(22,472.86)	(7,944.65)
Diluted earnings per share (Amount in Rs.)	(22,472.86)	(7,944.65)

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30 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. The Company recognised Rs.14.86 Million (previous year: 0.50 Million) for provident fund contributions, Rs. 0.06 Million (previous year: Nil) for employee state insurance scheme 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.

Composition of the plan assets
The scheme is funded through a trust and the fund is managed by LIC , the fund manager. The details of composition of plan assets managed by the fund manager is not available with the Company. However, the said funds are subject to Market risk (such as interest risk, investment risk, etc.).

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:

Particulars	Valuation as at	
	31-Mar-22	31-Mar-21
Discount rate(s)	6.96%	NA
Expected rate(s) of salary increase	8.00%	NA
Mortality Rate	IALM (2012-14) Ultimate	NA
Retirement age (years)	58	NA

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

Particulars	As at March 31, 2022	As at March 31, 2021
Service cost:		
Current service cost	4.31	
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	3.08	
Components of defined benefit costs recognised in statement of profit and loss	**7.39**	**-**
Remeasurement on the net defined benefit liability:		
Return on plan assets [excluding amounts included in net interest expense] (excess) / Short return	-	-
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions		
Actuarial (gains) / losses arising from experience adjustments	4.52	
Components of defined benefit costs recognised in other comprehensive income	**4.52**	**-**
Total	**11.91**	**-**

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

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of funded defined benefit obligation	143.42	
Fair value of plan assets	(1.20)	-
Funded status	**142.22**	**-**
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	**142.22**	**-**

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

Particulars	As at March 31, 2022	As at March 31, 2021
Opening defined benefit obligation	0.26	-
Add: Acquisition / (disposal)	131.59	-
Expenses Recognised in statement of profit and loss		
Current service cost	4.31	-
Past service cost and (gain)/loss from settlements	-	-
Interest cost	3.08	-
Remeasurement (gains)/losses		
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	-	-
Actuarial (gains) / losses arising from experience adjustments	4.52	-
Benefits paid	(0.34)	-
Closing defined benefit obligation	**143.42**	-

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.

If the discount rate increases (decrease) by 1%, the defined benefit obligation would be Rs. 154.41 Million (Rs. 133.75 Million) as at March 31, 2022

If the expected salary growth increases (decrease) by 1%, the defined benefit obligation would be Rs. 153.52 Million (Rs. 134.24 Million) as at March 31, 2022

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-

Financial Year	Amount
Year 1	13.03
Year 2	13.52
Year 3	14.40
Year 4	16.97
Year 5	11.83
Years 6 to 10	**74.78**
Above 10 years	**121.88**

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31 Segment Information

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker (CODM) in deciding how to allocate resources and assessing performance.

The Company is mainly engaged in the business of Pharmaceuticals. Considering the nature of business and financial reporting of the Company, the Company has only one segment viz: Pharmaceuticals.

32 Financial instruments

32.01 Categories of financial instruments

Particulars	As at 31-Mar-2022		As at 31-Mar-2021	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets:				
Measured at amortised cost				
Cash and bank balances	952.03	952.03	431.46	431.46
Trade receivables	391.78	391.78	111.51	111.51
Other financial assets at amortised cost	85.68	85.68	0.03	0.03
Financial liabilities:				
Measured at amortised cost				
Borrowings	1,037.72	1,039.82	847.45	847.45
Lease Liabilities	767.85	767.85	-	-
Trade payables	1,055.24	1,055.24	142.29	142.29
Other financial liabilities	169.23	169.23	126.53	126.53

The management assessed that the carrying amounts of financial assets and financial liabilities recognised in the financial statements at amortised cost will reasonably approximate their fair values.

32.02 Fair value measurements

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

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).

32.03 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 minimise 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:

32.04 Foreign currency risk management

The Company is exposed to foreign exchange risk due to:

- 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 (i.e. Indian rupees).

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:

Exposure to the Currency	As at 31-Mar-2022		As at 31-Mar-2021	
	Receivable/ (payable) in foreign Currency	Receivable/ (payable) in Rs.	Receivable/ (payable) in foreign Currency	Receivable/ (payable) in Rs.
USD	(2.97)	(225.35)	0.19	14.19
CAD	(0.01)	(0.74)	(0.01)	(0.74)
EUR	(0.08)	(7.32)	(0.00)	(0.16)

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32.05 Foreign currency sensitivity analysis

Financial instruments affect Financial instruments affected by changes in foreign exchange rates include payables in foreign currencies. The Company considers US Dollar and Canadian Dollar 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 Rs. is given below:

Exposure to the Currency	As at 31-Mar-	As at 31-Mar-2021
	Increase / (Decrease) in Equity	Increase / (Decrease) in Equity
Appreciation in the USD	(11.27)	0.71
Depreciation in the USD	11.27	(0.71)
Appreciation in the CAD	(0.04)	(0.04)
Depreciation in the CAD	0.04	0.04
Appreciation in the EUR	(0.37)	(0.01)
Depreciation in the EUR	0.37	0.01

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

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

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.

32.06 Interest rate risk management

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

Particulars	As at 31-Mar-2022	As at 31-Mar-2021
Fixed-rate instruments		
Financial assets		
Balance with banks held in deposit account	515.77	420.00
	515.77	420.00
Variable-rate instruments		
Financial liabilities		
Borrowings from bank	1,018.90	-
Inter-corporate deposit from related party	18.82	847.45
	1,037.72	847.45

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32.07 Financial risk management

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 as a means of mitigating the risk of financial loss from defaults. The Company has an internal mechanism of determining the credit rating of the customers and setting credit limits. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Company is not significantly exposed to geographical credit risk as the counterparties operate across various countries across the globe.

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

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.

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 repayment of principal amounts. 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 value
	< 1 Year	1 to 3 Years	> 3 Years		
Borrowings (including inter-corporate deposits)					
- As on March 31, 2022	339.82	281.53	418.47	1,039.82	1,037.72
- As on March 31, 2021	847.45	-	-	847.45	847.45
Interest payable on borrowings					
- As on March 31, 2022	15.80	-	-	15.80	15.80
- As on March 31, 2021	8.63	-	-	8.63	8.63
Lease Liabilities					
- As on March 31, 2022	177.69	387.75	345.30	910.74	767.85
- As on March 31, 2021	-	-	-	-	-
Trade and other payable					
- As on March 31, 2022	1,224.47	-	-	1,224.47	1,224.47
- As on March 31, 2021	260.19	-	-	260.19	260.19

32.08 Capital management

The Company manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity.

The Company is not subject to any externally imposed capital requirements.

32.09 Gearing ratio

The gearing ratio at end of the reporting period was as follows.

Particulars	**As at 31-Mar-2022**	**As at 31-Mar-2021**
Debt	1,037.72	847.45
Less:		
Cash and bank balances	(952.03)	(431.46)
Net debt [A]	**85.69**	**415.99**
Total equity [B]	302.59	265.93
Net debt to equity ratio (A/B)	**0.28**	**1.56**

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Note

33 **Related party information:**

33.01 **List of related parties:**

(i) **Controlling parties**
Tenshi Life Sciences Private Limited, Holding Company
Arun Kumar Pillai, Promoter

(ii) **Jointly controlled entities**
Brooks Steriscience Limited
Steribrooks Penems Private Limited

(iii) **Director and Key Management Personnel:**
Aditya Arun Kumar, Director
Tarun Singh, Wholetime Director
C Seetharamaiah, Director (wef 2nd June 2021)
Ankur Nand Thadani, Director (wef 3rd May 2021)
Mahadevan Narayanamoni, Director (wef 3rd May 2021)
Neeraj Sharma, Additional Director (wef 22nd November 2021)

(iv) **Fellow Subsidiaries**
Tenshi Pharmaceuticals Private Limited
Tenshi Kaizen Private Limited
Tenshi Kaizen USA Inc

(v) **Enterprises controlled, owned or significantly influenced by controlling parties, directors and key management personnel.**
Stelis Biopharma Limited
Six Rays Holdings Pte Limited
Steriscience Pte Limited
Steriscience B.V., Netherlands
Steriscience Sp. Z o.o.
Strides Pharma Science Limited
Strides Pharma Canada Inc
Arcolab Private Limited
Chayadeep Properties Private Limited
Solara Active Pharma Sciences Limited
Karuna Business Solutions LLP

Note: Related parties are as identified by the Company and relied upon by the Auditors.

33.02 Transactions for the year

Particulars	Controlling parties		Jointly controlled entities		Directors /KMP/ Relatives of KMP		Fellow Subsidiaries		Enterprises controlled, owned or significantly influenced by controlling parties, directors and key management personnel.	
	For the year ended 31 March 2022	For the period from 29 August 2020 to 31 March 2021	For the year ended 31 March 2022	For the period from 29 August 2020 to 31 March 2021	For the year ended 31 March 2022	For the period from 29 August 2020 to 31 March 2021	For the year ended 31 March 2022	For the period from 29 August 2020 to 31 March 2021	For the year ended 31 March 2022	For the period from 29 August 2020 to 31 March 2021
Equity shares										
Tenshi Life Sciences Private Limited	-	362.09	-	-	-	-	-	-	-	-
ICD/Loan taken from										
Tenshi Life Sciences Private Limited	-	847.45	-	-	-	-	-	-	-	-
ICD/Loan refunded										
Tenshi Life Sciences Private Limited	828.63	-	-	-	-	-	-	-	-	-
Interest expense accrued										
Tenshi Life Sciences Private Limited	5.69	8.63	-	-	-	-	-	-	-	-
Interest Expense paid										
Tenshi Life Sciences Private Limited	-	-								
ICD/Loan given to										
Brooks Steriscience Ltd	-	-	100.00	-	-	-	-	-	-	-
ICD/Loan converted to Equity Investment										
Brooks Steriscience Ltd	-	-	100.00	-	-	-	-	-	-	-
Receivable converted to Equity Investment										
Brooks Steriscience Ltd	-	-	145.60	-	-	-	-	-	-	-

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS
BENGALURU

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited (formerly known as Steriscience Pharma Private Limited)
Notes to the standalone financial statements for the year ended 31 March 2022
(Amount in Rupees Million, except for shares data or as otherwise stated)

Particulars	Controlling parties		Jointly controlled entities		Directors /KMP/ Relatives of KMP		Fellow Subsidiaries		Enterprises controlled, owned or significantly influenced by controlling parties, directors and key management personnel.	
	For the year ended 31 March 2022	For the period from 29 August 2020 to 31 March 2021	For the year ended 31 March 2022	For the period from 29 August 2020 to 31 March 2021	For the year ended 31 March 2022	For the period from 29 August 2020 to 31 March 2021	For the year ended 31 March 2022	For the period from 29 August 2020 to 31 March 2021	For the year ended 31 March 2022	For the period from 29 August 2020 to 31 March 2021
Interest Income										
Brooks Steriscience Ltd	-	-	2.15	-	-	-	-	-	-	-
Investments in equity shares										
Steribrooks Penems Private Limited	-	-	-	0.10	-	-	-	-	-	-
Write off of Investment in Steribrooks Penems Private Limited	-	-	0.10	-	-	-	-	-	-	-
Steriscience Pte. Limited	-	-	-	-	-	-	-	-	-	303.72
Sale of equity shares Steriscience Pte. Ltd to - Six Rays Holding Pte Limited	-	-	-	-	-	-	-	-	340.46	-
Purchase of equity shares of Steriscience Pte. Ltd from - Tenshi Pharmaceuticals Private Limited	-	-	-	-	-	-	-	-	-	27.21
Brooks Steriscience Ltd	-	-	62.36	-	-	-	-	-	-	-
Investments in optionally convertible preference shares										
Brooks Steriscience Limited	-	-	336.23	100.00	-	-	-	-	-	-
Sale of Goods										
Steriscience Sp. Z o.o	-	-	-	-	-	-	-	-	5.75	12.74
Steriscience Pte. Limited	-	-	-	-	-	-	-	-	216.56	-
Stelis Biopharma Limited	-	-	-	-	-	-	-	-	7.71	-
Sale of Service										
Brooks Steriscience Limited	-	-	18.00	-	-	-	-	-	-	-
Steriscience Pte. Limited	-	-	-	-	-	-	-	-	306.68	-
Purchase of Goods										
Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	49.20	0.49
Strides Pharma Science Limited	-	-	-	-	-	-	-	-	0.14	0.14
Stelis Biopharma Limited	-	-	-	-	-	-	-	-	90.72	0.20
Tenshi Pharmaceuticals Private Limited	-	-	-	-	-	-	-	32.62	-	-
Steriscience Sp. Z o.o.	-	-	-	-	-	-	-	-	34.71	-
Purchase Returns of Goods										
Tenshi Pharmaceuticals Private Limited	-	-	-	-	-	-	21.14	-	-	-
Purchase of Business										
Tenshi Pharmaceuticals Private Limited	-	-	-	-	-	-	-	117.90	-	-
Business support service & IT Expense										
Tenshi Life Sciences Private Limited	17.76	30.18	-	-	-	-	-	-	-	-
Arcolab Private Limited	-	-	-	-	-	-	-	-	13.92	4.92
Rent										
Karuna Business Solutions LLP	-	-	-	-	-	-	-	-	33.71	-
Chayadeep Properties Private Limited	-	-	-	-	-	-	-	-	6.14	-
Employee Cost										
Tarun Singh	-	-	-	-	17.50	-	-	-	-	-
Reimbursement of expenses										
Tenshi Kaizen Private Limited	-	-	-	-	-	-	0.19	-	-	-
Strides Pharma Canada Inc	-	-	-	-	-	-	-	-	-	0.74
Tenshi Pharmaceuticals Private Limited	-	-	-	-	-	-	0.12	6.53	-	-
Strides Pharma Science Limited	-	-	-	-	-	-	-	-	0.01	-
Tenshi Life Sciences Private Limited	0.04	-	-	-	-	-	-	-	-	-
Recovery of expenses										
Tenshi Pharmaceuticals Private Limited	-	-	-	-	-	-	-	3.21	-	-
Brooks Steriscience Limited	-	-	0.35	-	-	-	-	-	-	-
Stelis Biopharma Limited	-	-	-	-	-	-	-	-	1.21	-
Strides Pharma Science Limited	-	-	-	-	-	-	-	-	0.07	-
Advances for Capex										
Stelis Biopharma Limited	-	-	-	-	-	-	-	-	-	434.04
Advance refunded										
Stelis Biopharma Limited	-	-	-	-	-	-	-	-	-	420.00

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

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(Amount in Rupees Million, except for shares data or as otherwise stated)

33.03 Balances with related parties

Particulars	Controlling parties		Jointly controlled entities		Directors /KMP/ Relatives of KMP		Fellow Subsidiaries		Enterprises controlled, owned or significantly influenced by controlling parties, directors and key management personnel.	
	As at 31-Mar-2022	As at 31-Mar-2021	As at 31-Mar-2022	As at 31-Mar-2021	31 March 2022	As at 31-Mar-2021	31 March 2022	As at 31-Mar-2021	As at 31-Mar-2022	As at 31-Mar-2021
Equity shares										
Tenshi Life Sciences Private Limited	362.09	362.09	-	-	-	-	-	-	-	-
ICD/Loans payable										
Tenshi Life Sciences Private Limited	18.82	847.45	-	-	-	-	-	-	-	-
Interest Payable										
Tenshi Life Sciences Private Limited	13.75	8.63	-	-	-	-	-	-	-	-
Interest Receivable										
Brooks Steriscience Ltd	-	-	1.94	-	-	-	-	-	-	-
Corporate Guaranatee Received										
Tenshi Life Sciences Private Limited	1,350.00	-	-	-	-	-	-	-	-	-
Security provided towards loan taken by										
Tenshi Kaizen Private Limited	-	-	-	-	-	-	220.00	-	-	-
Investments in equity shares										
Steribrooks Penems Private Limited	-	-	-	0.10	-	-	-	-	-	-
Steriscience Pte. Limited	-	-	-	330.93	-	-	-	-	-	-
Brooks Steriscience Ltd	-	-	744.19	-	-	-	-	-	-	-
Investments in optionally convertible preference shares										
Brooks Steriscience Limited	-	-	-	100.00	-		-	-	-	-
Security Deposit										
Karuna Business Solutions LLP	-	-	-	-	-	-	-	-	75.86	-
Chayadeep Properties Private Limited	-	-	-	-	-	-	-	-	6.60	-
Other Receivables										
Stelis Biopharma Limited	-	-	-	-	-	-	-	-	14.04	14.04
Advances to suppliers										
Brooks Steriscience Limited	-	-	-	72.50	-	-	-	-	-	-
Trade Receivables										
Brooks Steriscience Limited	-	-	19.86	97.32	-	-	-	-	-	-
Steriscience Sp. Z o.o.	-	-	-	-	-	-	-	-	2.45	12.78
Stelis Biopharma Limited	-	-	-	-	-	-	-	-	10.52	-
Steriscience Pte Limited	-	-	-	-	-	-	-	-	249.47	-
Strides Pharma Science Limited	-	-	-	-	-	-	-	-	0.08	-
Trade Payables										
Tenshi Life Sciences Private Limited	13.76	33.35	-	-	-	-	-	-	-	-
Stelis Biopharma Limited	-	-	-	-	-	-	-	-	106.97	0.20
Solara Active Pharma Sciences Limited	-	-	-	-	-	-	-	-	45.38	0.49
Strides Pharma Canada Inc	-	-	-	-	-	-	-	-	0.02	0.74
Tenshi Kaizen Pvt Ltd	-	-	-	-	-	-	0.22	-	-	-
Tenshi Pharmaceuticals Private Limited	-	-	-	-	-	-	37.05	81.57	-	-
Strides Pharma Science Limited	-	-	-	-	-	-	-	-	0.01	-
Arcolab Private Limited	-	-	-	-	-	-	-	-	1.36	0.59
Steriscience Sp. Z o.o.	-	-	-	-	-	-	-	-	34.71	-
Other payables										
Tenshi Pharmaceuticals Private Limited	-	-	-	-	-	-	117.90	117.90	-	-
Tenshi Life Sciences Private Limited	0.04	-	-	-	-	-	-	-	-	-

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

Steriscience Specialties Private Limited

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Note No.

34A On 25th October, 2021, the Company had entered into an agreement (the "Agreement") with Mylan Laboratories Limited to purchase assets for a purchase consideration of USD 10 Million (INR 746.63 Mio). Mylan is a global generic and specialty pharmaceuticals company.

The transaction has been identified and accounted as a Business Combination as per Ind AS 103. The effective date of business combination i.e. closing date is 30th November 2021.

The Company had engaged an independent valuer to determine the fair value of the assets taken over. As per the Agreement, some liabilities have been assumed the Company, and these have been evaluated by the management as at the end of the reporting period to have a remote possibility of outflow, and hence no provision has been recorded for these.

The details of Purchase consideration, assets acquired, and bargain purchase gain are given below:

Particulars	Fair Value (Rs.in Mio)
Purchase consideration	
Consideration discharge in cash	746.63
Total [A]	**746.63**
Assets acquired	
Leasehold improvements	89.33
Plant & Machinery	659.39
Furniture and Fixtures	9.47
Office Equipments	3.76
Computers and accessories	3.20
Dies and Punches	6.05
Motor Vehicles	0.17
Total [B]	**771.37**
Bargain Purchase Gain accounted in Capital Reserve [B - A]	**24.74**

34B **Other Statutory Information**

(a) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property
(b) The Company does not have any transactions with companies struck off.
(c) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
(d) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
(e) 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.
(f) The Company has borrowings from bank on the basis of security of current assets, the monthly 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 wilful 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:
(i) 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
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
(i)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:
(i) 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
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

34C **Recent pronouncements**

On March 23, 2022, the Ministry of Corporate Affairs (MCA) issued certain amendments and annual improvements to Ind AS. These amendments are applicable for accounting periods beginning on or after April 1, 2022:
- Ind AS 103 – Business Combinations – Reference to conceptual framework added
- Ind AS 16 – Property, Plant and Equipment – Accounting for proceeds before an asset's intended use
- Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – Assessing if the contract is onerous
- Annual improvements to Ind AS – Ind AS 109 (Financial Instruments) and Ind AS 116 (Leases)

The Company will evaluate the impact of the above, where applicable, on the financial statements and give impact of the same in the relevant period.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited

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(Amount in Rupees Million, except for shares data or as otherwise stated)

Note No.

35 **Analytical Ratios**

	As at March 31, 2022	As at March 31, 2021	Change	Ratios have a variance of >25% due to
Ratio Analysis				
Current Ratio - *in times* **(A) / (B)**	1.17	0.62	88%	Increase in business volume as compared to FY 2021
Current Assets (A)	2,754.72	698.15		
Current Liabilities (B)	2,356.92	1,121.27		
Debt-Equity Ratio - *in times* **(C) / (D)**	3.43	3.19	8%	Increased due to loan borrowed during the year
Debt including lease liabilities(C)	1,037.72	847.45		
Equity (D)	302.59	265.93		
Debt Service Coverage Ratio - *in times* **(E) / ((F) + (G))**	-	-	0%	NA
Earnings Before Interest, Taxes, Depreciation and Amortisation (E)	(519.11)	(105.50)		
Debt repayment (F)	-	-		
Interest payments (G)	-	-		
Return on Equity ratio (H) / (I)	-127.25%	-36.16%	252%	Primarily due to increase in loss
Return on Equity ratio (Tangible) (H) / (J)	-127.25%	-36.16%	252%	Primarily due to increase in loss
Net loss (H)	(385.05)	(96.17)		
Equity (I)	302.59	265.93		
Equity (Tangible) (J)	302.59	265.93		
Inventory turnover ratio (K) / (L)	7.93	0.41	1836%	Due to increase in both COGS and Inventory
Cost of goods sold (K)	260.93	12.63		
Average Inventory (L)	32.90	30.83		
Trade receivables turnover ratio (M) / (N)	2.68	0.25	955%	Increase in business volume as compared to FY 2021
Sales Turnover (M)	674.23	14.16		
Average Trade receivables (N)	251.65	55.76		
Trade payables turnover ratio (O) / (P)	0.44	0.18	146%	Increase in business volume as compared to FY 2021
Cost of goods sold (O)	260.93	12.63		
Average Trade payables (P)	597.33	71.15		
Net capital turnover ratio (Q) / (R)	1.69	(0.03)	-5165%	Primarily due to increase in Sales
Sales Turnover (Q)	674.23	14.16		
Woring Capital (R)	397.80	(423.12)		
Net profit ratio (S) / (T)	**-54.92%**	**-644.14%**	**-91%**	**Primarily due to increase in loss**
Net loss (S)	**(385.05)**	**(96.17)**		
Gross Revenue (T)	**701.13**	**14.93**		
Return on capital employed (U) / (V)	-26.74%	-7.80%	243%	Primarily due to increase in Loss
Return on capital employed (Tangible) (U) / (W)	-26.74%	-7.80%	243%	
Earnings Before Interest and Taxes (U)	(358.35)	(86.84)		
Capital Employed (V)	1,340.31	1,113.38		
Capital Employed Tangible (W)	1,340.31	1,113.38		

36 The previous year's figures have been re-grouped/reclassified, where necessary to conform to current year's classification

37 The standalone financial statements are approved for issue by the board of directors on September 30, 2022.

For and on behalf of Board of Directors

Aditya Arun Kumar
Director
DIN : 069999081

Tarun Kumar Singh
Director
DIN : 08854953

Place : Bengaluru
Date : September 30, 2022

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited

STERISCIENCE

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 1st Annual Report together with the Audited Statement of Accounts of your Company for the financial year from August 29, 2020 to March 31, 2021.

1. Financial Results

The Financial Performance of the Company during the Financial Year ended March 31, 2021 is given below: -

Particulars	**(Rupees in Millions)**	
	2020-21	
Revenue from operations	14.16	
Other Income	0.77	
Total revenue	**14.93**	
Less: Expenses		
• Expenses before Finance Cost and Depreciation	101.77	
• Finance costs	9.33	
• Depreciation and amortization expenses	-	
Total Expenses	**111.10**	
Profit/(Loss) Before Tax & Exceptional Items	**(96.17)**	
Exceptional Items	-	
Profit/(Loss) Before Tax	**(96.17)**	
Provision for - Current Tax	-	
- Deferred [Net] Charge (Credit)	-	
Profit/ (Loss) after Tax	**(96.17)**	

2. Business Performance Review

The main object of the Company is to engage in the business of research and development, manufacture, produce, sell, import, export, distribute, trade, market and deal otherwise in all kinds of pharmaceutical drugs and medicines, bulk drugs, compounds including but not limited to Carbapenems, general dry powder Injectables, Ampoules and Liquid vials amongst other dosage formats in India or elsewhere in the world.

During the year under review, your Company has registered a net loss of Rs. 96.17 Million. The Company is under growing stage being the 1st year of incorporation and your directors are very confident of Company becoming a major player in Industry in the coming years.

There is no change in the nature of business of the Company during the year.

Steriscience Specialties Private Limited

STERISCIENCE

3. Change in Name of the Company

The Company has changed its name from Steriscience Pharma Private Limited to Steriscience Specialties Private Limited with effect from October 09, 2020.

4. Dividend

The Company being in its initial years of business, your directors do not recommend any dividend for the financial year ended March 31, 2021 and wish to invest into Company's future growth and to facilitate increased earnings in future.

5. Transfer to Reserves

The Company is not proposing to carry any amount to reserves for the financial year ended March 31, 2021.

6. Share Capital

As at March 31, 2021, the authorized capital of the Company stood at Rs. 5,500,000/- (Rupees Fifty-five Lakhs Only) consisting of 150,000 (One Lakh Fifty Thousand) Equity Shares of Rs. 10/- (Rupees Ten Only) each and 4,00,000 (Four Lakh) Compulsorily Convertible Preference Shares of Rs. 10/- (Rupees Ten Only) each

The issued, subscribed and paid up capital of the Company as on March 31, 2021 stood at Rs. 1,35,460/- (Rupees One Lakh Thirty-Five Thousand Four Hundred and Sixty Only) divided into 13,546 (Thirteen Thousand Five Hundred and Forty-Six) fully paid up Equity Shares of Rs.10/- (Rupees Ten) each.

During the financial year 2020-21, the Company has allotted equity shares as under:

Sl. No	Date of Allotment	No of Shares	Issue Price (Per share)	Remarks
1.	August 29, 2020	10,000	10	At Incorporation
2.	February 26, 2021	607	102,085	Rights Issue
3.	March 05, 2021	2,939	102,085	Conversion of CCPS into Equity

During the financial year 2020-21, the Company has allotted Compulsorily Convertible Preference Shares (CCPS) as under:

Sl. No	Date of Allotment	Class of RPS	No of Shares	Issue Price (Per share)	Remarks
1.	November 16, 2020	Compulsorily Convertible Preference Shares	3,00,000	1000	Rights Issue

Steriscience Specialties Private Limited

STERISCIENCE

CHANGES IN AUTHORISED SHARE CAPITAL:

Increase in Authorised share capital

- the Authorised Share Capital of the Company be increased from Rs. 1,500,000/- (Rupees Fifteen Lakh Only) consisting of 150,000 (One Lakh Fifty Thousand) Equity Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 4,500,000/- (Rupees Forty-five Lakh Only) consisting of 150,000 (One Lakh Fifty Thousand) Equity Shares of Rs. 10/- (Rupees Ten Only) each and 3,00,000 (Three Lakh) Compulsorily Convertible Preference Shares of Rs. 10/- (Rupees Ten Only) each; as approved by the Members in their EGM dated September 18, 2020.
- the Authorised Share Capital of the Company be increased from Rs. 4,500,000/- (Rupees Forty-five Lakh Only) consisting of 150,000 (One Lakh Fifty Thousand) Equity Shares of Rs. 10/- (Rupees Ten Only) each and 3,00,000 (Three Lakh) Compulsorily Convertible Preference Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 5,500,000/- (Rupees Fifty-five Lakh Only) consisting of 150,000 (One Lakh Fifty Thousand) Equity Shares of Rs. 10/- (Rupees Ten Only) each and 4,00,000 (Four Lakh) Compulsorily Convertible Preference Shares of Rs. 10/- (Rupees Ten Only) each; as approved by the Members in their EGM dated February 12, 2021.

7. Subsidiaries

As at March 31, 2021 the Company had the following Subsidiaries, Associate/ Investee Companies.

Sl No	Name of the Company	Nature of Relationship
1.	Steriscience Pte Ltd	Wholly Owned Subsidiary
2.	SteriBrooks Penems private Limited	Subsidiary
3.	Brooks Steriscience Limited	Investment in OCRPS
4.	Steriscience B V	Step down Subsidiary
5.	Steriscience Sp. z.o.o	Step down Subsidiary

8. Material changes and commitments affecting the financial position of the Company, which have occurred between the end of financial year and the date of this report

The following changes/ transactions occurred between the end of financial year i.e., March 31, 2021 and the date of this report:

- The Company has issued and allotted 3,933 (Three Thousand Nine Hundred and Thirty-Three) fully paid up Equity Shares face value of Rs. 10/- (Rupees Ten) each at a premium of 1,02,075/- per share.
- The Company has divested its entire holding in Steriscience Pte ltd, Singapore.

9. Extract of Annual Return

Extract of Annual Return in terms of Section 92(3) of the Companies Act, 2013 in Form MGT-9 is enclosed as **Annexure 1** to the Director's Report.

Steriscience Specialties Private Limited

10. Public Deposit

During the financial year 2020-21, the Company has not accepted or renewed any public deposits in terms of Sections 73 and 74 of the Companies Act, 2013 and the rules framed thereunder.

11. Board of Directors and Key Managerial Personnel

As on March 31, 2021, Mr. Aditya Arun Kumar and Mr. Tarun Singh are the Directors of the Company.

During the Financial year under review:

- Mr. Tarun Singh, Mr. Ankit Gupta were appointed as First Directors of the Company on August 29, 2021 at the time of Incorporation.
- On November 04, 2020, Mr. Kannan Pudhucode Radhakrishnan was appointed as an Additional Director of the Company.
- On November 05, 2020, Mr. Ankit Gupta resigned from the Office of Board of Directors of the Company.
- On January 27, 2021, Mr. Aditya Arun Kumar was appointed as an Additional Director of the Company.
- Mr. Kannan Pudhucode Radhakrishnan resigned as an Additional Director of the Company on January 29, 2021.

Changes made in composition of Board from the close of financial year till the date of report:

- Appointment of The Board of Directors at their meeting held on June 06, 2021 have appointed Mr. Chandrappa Seetharamaiah as an Additional Director on Board and he holds office upto the date of this ensuing first Annual General Meeting. The approval for the same is presented before the members for their approval as Item 3 of the AGM Notice.

12. Meetings of Board

During the year ended March 31, 2021, 33 (Thirty Three) Board Meetings were duly convened by the Company and the details are as under:

These meetings were held on September 04, 2020, September 15, 2020, September 17, 2020, September 18, 2020, September 21, 2020, September 23, 2020, September 29, 2020, October 01, 2020, October 13, 2020, October 14, 2020, October 21, 2020, October 23, 2020, November 04, 2020, November 05, 2020, November 09, 2020, November 16, 2020, November 17, 2020, November 23, 2020, December 07, 2020, December 21, 2020, January 12, 2021, January 18, 2021, January 27, 2021, January 29, 2021, February 18, 2021, February 26, 2021, March 01, 2021, March 05, 2021, March 08, 2021, March 10, 2021, March 17, 2021, March 26, 2021 and March 31, 2021.

All the directors were present for all the meetings of Board of Directors held during the financial year 2020-21.

Steriscience Specialties Private Limited

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13. Risk Management

The Company has a risk management framework for identifying and managing risks. Board of Directors of the Company regularly reviews the framework and amend as and when required.

14. Auditors

The Board of Directors of the Company has appointed M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 008072S) as its First Auditors to hold the office till the conclusion of First Annual General Meeting.

The Board of Directors at their meeting held on October 06, 2021 have re-appointed the auditors for a further term of five years. The Board recommends the re-appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 008072S), to hold office as the Statutory Auditors of the Company for a term of five years from the first Annual General Meeting till the conclusion the 6th Annual General Meeting, subject to the ratification of the members at the 1st Annual General Meeting of the Company. The approval for the same is presented before the members as Item 2 of the AGM Notice.

15. Audit Report

There are no qualifications, observations or adverse remarks in the Audit Report issued by the Auditors of the Company for the financial year ended March 31, 2021.

16. Particulars of Employees

The statement containing particulars of employees as required under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be open for inspection at the Registered Office of the Company during working hours and any member interested in obtaining a copy of the same may write to the Directors at the registered office of the Company.

17. Particulars of loans, guarantees or investments by the Company

Particulars of investments made, loans given and guarantees provided in terms of Section 186 of the Companies Act, 2013 for the year ended March 31, 2021 are as per details given below:

(Rs. in Million)

Name of the Entity	Relationship	Investment	Loan	Guarantee	Purpose
Steriscience Pte Ltd	Subsidiary	330.93	-	-	Business Purpose
SteriBrooks Penems Private Limited	Subsidiary	0.10	-	-	Business Purpose
Brooks Steriscience Limited	Investee Company	100	-	-	Business Purpose

18. Particulars of Contracts or Arrangements with Related Parties

All the transactions entered with related parties are in the ordinary course of business and on arm's length basis.

Steriscience Specialties Private Limited

Further, there are no materially significant related party transactions with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.

The particulars of material contracts or arrangements with related parties referred to in Section 188(1), as prescribed in Form AOC-2 of the Rule 8(2) of Companies (Accounts) Rules, 2014 is given as an **Annexure 2** to this Report.

19. Corporate Social Responsibility

The provisions of Section 135 of the Companies Act, 2013 were not applicable to the Company for the financial year 2020-21 as the Company has incurred losses.

20. Prevention of Sexual Harassment at Workplace

The Company is committed to provide a safe and conducive work environment to its employees. The Company is in process of constituting a Posh committee and the policy for Prevention of Sexual Harassment at Workplace is in place.

The Company had no women employees during the financial year under review.

21. Internal Financial Control

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

22. Significant and material orders passed by the Regulators or Courts or Tribunals

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

23. Director's Responsibility Statement

In accordance with Section 134(5) of the Companies Act, 2013, the Directors of your Company to the best of their knowledge and ability confirm that:

a) in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.

b) they 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 that period;

c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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d) they have prepared the annual accounts of the Company on a going concern basis;

e) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

24. Conservation of Energy, Technology Absorption and Foreign Exchange Earning/ Outgo and Research & Development

The particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014 is enclosed as an **Annexure 3** to the Directors' Report.

25. Appreciation

Your Directors would like to express their grateful appreciation for the excellent support and co-operation received from the Shareholders, Customers, Financial Institutions, Banks, Government Authorities, Reserve Bank of India, Manufacturers and Suppliers to the Company.

We would like to place on record our sincere appreciation for the total commitment, dedication, untiring efforts and hard work put in by the employee members at all levels of the Company in realisation of the corporate goals in the years ahead.

For and on behalf of the Board of Directors of
Steriscience Specialties Private Limited

Place: Bengaluru
Date: October 06, 2021

Tarun Singh	**Aditya Arun Kumar**
Director	**Director**
DIN: 08854953	**DIN: 06999081**

Steriscience Specialties Private Limited ★

Steriscience Specialties Private Limited ★

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Annexure 1

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2021 of
STERISCIENCE SPECIALTIES PRIVATE LIMITED
[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	**CIN:**	U24304KA2020PTC137884
ii)	**Registration Date:**	29/08/2020
iii)	**Name of the Company:**	Steriscience Specialties Private Limited (Formerly Steriscience Pharma Private Limited)
iv)	**Category/ Sub Category of the Company:**	**Category**: Company Limited by Shares **Sub Category:** Indian Non-Government Company
v)	**Address of the Registered Office and contact details**	Plot no 30, Galaxy, 1st Main Road, J.P. Nagar, Third Phase, Bangalore - 560078
vi)	**Whether listed company (YES / NO)**	No
vii)	**Name, Address and Contact Details of Registrar and Transfer Agent, if any**	**Name:** KFin Technologies Private Limited **Address:** Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad **Ph:** (040) 7961 1000

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacture of pharmaceuticals, medicinal chemical and botanical products	2100	-

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/Associate	% of shares held	Applicable section
1.	Tenshi Life Sciences Private Limited	U74110TN2016PTC126537	Holding Company	100%	2(46)
2.	SteriBrooks Penems Private Limited	U24232KA2020PTC135017	Subsidiary	55.67	2(87)(ii)
3.	Steriscience Pte ltd	-	Subsidiary	100%	2(87)(ii)

Steriscience Specialties Private Limited

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IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year as on August 29, 2020				No. of Shares held at the end of the year as on March 31, 2021			
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares
A. Promoters **1. Indian**								
Individual/ HUF	-	-	-	-	-	-	-	-
Central Govt.	-	-	-	-	-	-	-	-
State Govt(s)	-	-	-	-	-	-	-	-
Body Corp.	-	-	-	-	-	-	-	-
Banks/FI	-	-	-	-	-	13,546	13,546	100
Any Other	-	-	-	-	-	-	-	-
Sub-total (A) (1)	-	-	-	-	-	**13,546**	**13,546**	**100**
2. Foreign								
NRI-Individuals	-	-	-	-	-	-	-	-
Others-Individuals	-	-	-	-	-	-	-	-
Body Corp.	-				-	-	-	-
Banks/FI	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-
Total shareholding of Promoters(A) = (A)(1)+(A)(2)	-	-	-	-	-	**13,546**	**13,546**	**100**
B. Public Shareholding **1.Institutions**								
Mutual Funds	-	-	-	-	-	-	-	-
Banks/FI	-	-	-	-	-	-	-	-
Central Govt.	-	-	-	-	-	-	-	-
State Govt(s)	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-
FIIs	-	-	-	-	-	-	-	-
Foreign Venture Capital Funds	-	-	-	-	-	-	-	-
Others (specify)	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-
1.Non Institutions **a. Bodies Corp**	-	-	-	-	-	-	-	-
Indian	-	-	-	-	-	-	-	-
Overseas	-	-	-	-	-	-	-	-
b. Individuals	-	-	-	-	-	-	-	-
Individual	-	-	-	-	-	-	-	-

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shareholders holding nominal share capital upto Rs. 1 lakh								
Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-
Others (specify)	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-
B. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	-	-	-	-	**13,546**	**13,546**	**100**

Note: 1 share each is registered in the name of Mr. Aditya Arun Kumar as a Nominee of Tenshi Life Sciences Private Limited.

Shareholding of Promoters

Sl. No.	**Shareholder's Name**	**Shareholding at the beginning of the year as on August 29, 2020**			**Shareholding at the end of the year as on March 31, 2021**			**% change in shareholding during the year**
		No. of Shares	**% of total Shares of the company**	**%of Shares Pledged / encumbered to total shares**	**No. of Shares**	**% of total Shares of the company**	**%of Shares Pledged / encumbered to total shares**	
1	Tenshi Life Sciences Private Limited	-	-	-	13,545	100	-	100
2	Aditya Arun Kumar (Nominee of Tenshi Life Sciences Private Limited)	-	-	-	1	-	-	-

ii. Change in Promoters' Shareholding

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Tenshi Life Sciences Private Limited	August 29, 2020	Subscription to MOA	5000	50	5000	50
		September 21, 2020	Transfer of Shares	1	0.01	4,999	49.99
		September 23, 2020	Purchase of Shares	5000	50	9,999	99.99
		February 26, 2021	Rights Issue	607	5.72	10,606	99.99
		March 05, 2021	Conversion of CCPS into Equity	2,939	21.69	13,545	99.99
		March 31, 2021	Closing Balance	13,545	99.99	13,545	99.99
2	Aditya Arun Kumar (Nominee of Tenshi Life Sciences Private Limited)	August 29, 2020	-	0	0	0	0
		September 21, 2020	Transfer of Shares	1	0.01	1	0.01
		March 31, 2021	Closing Balance	1	0.01	1	0.01
3	Karuna Business Solutions LLP	August 29, 2020	Subscription to MOA	5000	50	5000	50
		September 23, 2020	Sale of Shares	5000	50	0	0
		March 31, 2021	Closing Balance	0	0	0	0

Steriscience Specialties Private Limited

iii. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	No. of Shares held at the beginning of the year as on August 29, 2020		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		NA			

iv. Shareholding of Directors and Key Managerial Personnel: NIL

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/ accrued but not due for payment:

(Rupees in Millions)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
Addition	-	847.45	-	847.45
Reduction	-	-	-	-
Net Change	-	**847.45**	-	**847.45**
Indebtedness at the end of the financial year				
i) Principal Amount	-	847.45	-	847.45
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	8.63	-	8.63
Total (i+ii+iii)	-	**856.08**	-	**856.08**

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VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NIL

(Rs. in Million)

Sl. No.	Particulars of Remuneration	Name of the Directors	
1.	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-
2.	Stock Options granted during the year 2020-21		-
3.	Sweat Equity granted during the year 2020-21		-
4.	Commission -As % of Profit -Others, specify		- -
5.	Others, please specify		-
	Total (A)	-	-
	Ceiling as per the Act		

B. Remuneration to other directors: Nil

(Rs. in Million)

Sl. No.	Particulars of Remuneration	Name of the Directors		Total Amount
1.	Independent Directors - Fee for attending board committee meetings - Commission - Others, please specify	-	-	-
	Total (1)	-	-	-
2.	Other Non-Executive Directors - Fee for attending board committee meetings - Commission - Others	-	-	-
	Total (2)	-	-	-
	Total (B) = (1+2)	-	-	-
	Total Managerial Remuneration	-	-	-
	Overall ceiling as per the Act	-		

Steriscience Specialties Private Limited

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C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD: NIL

(Rs. in Million)

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel	
		-	-
1	Gross salary*		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act,1961	-	-
2	Stock option	-	-
3	Sweat Equity	-	-
4	Commission -As % of profit -Other specify	-	-
5	Others please specify	-	-
	Total	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil

For and on behalf of the Board of Directors of
Steriscience Specialties Private Limited

Tarun Singh
Director
DIN: 08854953

Aditya Arun Kumar
Director
DIN: 06999081

Place: Bengaluru
Date: October 06, 2021

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited

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 – There were no contracts or arrangements or transactions entered into by the Company with related parties during the year ended March 31, 2021 which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2021 are as below:

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/transactions	Salient terms of the contracts or arrangements or transactions	Monetary Value upto (Rupees in Million)	Date(s) of approval by the Board	Amount paid as advances, if any
1.	Steriscience Sp. Zoo Step-Down Subsidiary	Sale of Goods	Upto March 31, 2021	Sale of Goods at Arm's Length	12.74	October 01, 2020	-
2.	Solara Active Pharma Sciences Limited Enterprises controlled, owned or significantly influenced by controlling parties, directors, key management personnel, promoter or person holding significant interest in the Company	Purchase of Goods	Upto March 31, 2021	Purchase of Goods at Arm's Length	0.49	October 01, 2020	-
3.	Strides Pharma Science Limited Enterprises controlled, owned or significantly influenced by controlling parties, directors, key management personnel, promoter or person holding significant interest in the Company	Purchase of Goods	Upto March 31, 2021	Purchase of Goods at Arm's Length	0.14	October 01, 2020	-
4.	Stelis Biopharma Limited Enterprises controlled, owned or significantly influenced by controlling parties, directors, key management personnel, promoter or person holding significant interest in the Company	Purchase of Goods	Upto March 31, 2021	Purchase of Goods at Arm's Length	0.20	October 01, 2020	-

Steriscience Specialties Private Limited

5	Tenshi Life Sciences Private Limited	**Business and IT Support Services**	Upto March 31, 2021	Business and IT Support Services	30.18	October 01, 2020	-
6	Tenshi Pharmaceuticals Private Limited	**Purchase of Goods**	Upto March 31, 2021	Purchase of Goods at Arm's Length	32.62	October 01, 2020	-
7	Tenshi Pharmaceuticals Private Limited	**Purchase of Injectable Business**	Upto March 31, 2021	Purchase of Injectable Business	117.90	October 01, 2020	-

For and on behalf of the Board of Directors of Steriscience Specialties Private Limited

Tarun Singh
Director
DIN: 08854953

Aditya Arun Kumar
Director
DIN: 06999081

Place: Bengaluru
Date: October 06, 2021

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited

Annexure 3

The particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014

A. **Conservation of Energy:** Measures have been taken by the company to reduce energy consumption using energy efficient equipment and by using the state of the art technology.

B. **Technology absorption:** Since business and technology are changing rapidly, investment in technology is of paramount importance to your company. The management has been continuously investing in updating the relevant technologies from time to time.

C. **Expenditure on Research & Development: Nil**

D. **Foreign Exchange Earnings and outgo:**

(Rs in Million)

	For the period ended March 31, 2021
Earnings	14.16
Outgo	-128.21

For and on behalf of the Board of Directors of
Steriscience Specialties Private Limited

Tarun Singh
Director
DIN: 08854953

Aditya Arun Kumar
Director
DIN: 06999081

Place: Bengaluru
Date: October 06, 2021

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited

Deloitte Haskins & Sells

Chartered Accountants
Prestige Trade Tower, Level 19
46, Palace Road, High Grounds
Bengaluru – 560 001
Karnataka, India

Tel: +91 80 6188 6000
Fax: +91 80 6188 6011

INDEPENDENT AUDITOR'S REPORT

To The Members of STERISCIENCE SPECIALTIES PRIVATE LIMITED (PREVIOUSLY KNOWN AS STERISCIENCE PHARMA PRIVATE LIMITED)
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Steriscience Specialties Private Limited (formerly known as Steriscience Pharma Private Limited)** ("the Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the period 29 August 2020 to 31 March 2021, and a summary of significant 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its loss, total comprehensive loss, its cash flows and the changes in equity for the period ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, but does not include the 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.

Steriscience Specialties Private Limited

Deloitte Haskins & Sells

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.

Management's Responsibility 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 Ind AS and other accounting principles generally accepted in India. 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 standalone financial statement 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 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those 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 control 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 system in place and the operating effectiveness of such controls.

Steriscience Specialties Private Limited

Deloitte
Haskins & Sells

- 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 control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

Steriscience Specialties Private Limited

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f. With respect to the adequacy of the internal financial controls over financial reporting 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 over financial reporting.

g. 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 Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.

h. 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 does not have any pending litigations which would impact its financial position.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

2. As required by the Companies (Auditor's Report) Order, 2016 ("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)

Sathya P Koushik
(Partner)
(Membership No. 206920)
(UDIN: **21206920AAAALF2209**)

Place: Bengaluru
Date: October 06, 2021

Steriscience Specialties Private Limited

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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Steriscience Specialties Private Limited (formerly known as Steriscience Pharma Private Limited)** ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 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 over financial reporting 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. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect

Steriscience Specialties Private Limited

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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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the criteria for internal financial control over financial reporting 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)

Sathya P Koushik
(Partner)
(Membership No. 206920)
(UDIN: **21206920AAAALF2209**)

Place: Bengaluru
Date: October 06, 2021

Steriscience Specialties Private Limited

**Deloitte
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**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)**

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Some of the fixed assets were physically verified during the period by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the Order is not applicable.

(ii) As explained to us, the inventories were physically verified during the period by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the period. The Company does not have any unclaimed deposits and therefore the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Goods and Services Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Goods and Services Tax, cess and other material statutory dues in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on 31 March 2021 on account of disputes.

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of the Order is not applicable to the Company.

Sterisicence Specialties Private Limited

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

(x) 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 period.

(xi) The Company is a private company and hence the provisions of section 197 of the Companies Act, 2013 do not apply to the Company.

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

(xiii) The Company is a private company and hence the provisions of section 177 of the Companies Act, 2013 do not apply to the Company. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 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) During the period the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the period the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company 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.

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

Sathya P Koushik
(Partner)
(Membership No. 206920)
(UDIN: **21206920AAAALF2209**)

Place: Bengaluru
Date: October 06, 2021

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited (formerly known as Steriscience Pharma Private Limited)
Standalone Balance Sheet as at 31 March 2021
(Amount in Rupees Million, except for shares data or as otherwise stated)

Particulars	Note No.	As at 31-Mar-2021
Assets		
Non-current assets		
Property, plant and equipment	**2**	0.03
Financial assets		
Investments	**3**	431.03
Other non-current assets	**4**	258.25
Total non-current assets		**689.31**
Current assets		
Inventories	**5**	61.66
Financial assets		
Trade receivables	**6**	111.51
Cash and cash equivalents	**7**	431.46
Other financial assets	**8**	0.03
Other current assets	**9**	93.49
Total current assets		**698.15**
Total assets		**1,387.46**
Equity and liabilities		
Equity		
Equity share capital	**10**	0.14
Other equity	**11**	265.79
Equity attributable to the owners of the company		**265.93**
Liabilities		
Non-current liabilities		
Provisions	**12**	0.26
Total current liabilities		**0.26**
Current liabilities		
Financial liabilities		
Borrowings	**13**	847.45
Trade payables	**14**	
- Dues of micro and small enterprises		-
- Dues of other than micro and small enterprises		142.29
Other financial liabilities	**15**	126.53
Provisions	**16**	0.34
Other current liabilities	**17**	4.66
Total current liabilities		**1,121.27**
Total liabilities		**1,121.53**
Total equity and liabilities		**1,387.46**

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

Sathya P Koushik
Partner
Membership Number: 206920

Place : Bengaluru
Date : October 06, 2021

For and on behalf of Board of Directors

Aditya Arun Kumar
Director
DIN : 069999081

Tarun Kumar Singh
Director
DIN : 08854953

Place : Bengaluru
Date : October 06, 2021

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited (formerly known as Steriscience Pharma Private Limited)
Standalone Statement of Profit and Loss for the period from 29 August 2020 to 31 March 2021
(Amount in Rupees Million, except for shares data or as otherwise stated)

Particulars	**Note No.**	**For the period from 29 August 2020 to 31 March 2021**
Revenue from operations	18	14.16
Other income	19	0.77
Total income		**14.93**
Expenses		
Purchases of stock-in-trade	20	74.29
Changes in inventories of stock-in-trade	21	(61.66)
Employee benefits expense	22	11.82
Finance costs	23	9.33
Other expenses	24	77.32
Total expenses		**111.10**
Loss before tax		**(96.17)**
Tax expense		
Current tax		-
Deferred tax		-
Loss for the period		**(96.17)**
Other Comprehensive Income		
Items that will not be reclassified subsequently to profit or loss		-
Income tax relating to items that will not be reclassified subsequently to profit or loss		-
Total other comprehensive income		-
Total comprehensive loss for the period		**(96.17)**
Earnings per equity share (face value of Rs. 10/- each)		
Basic (in Rs.)		(7,944.65)
Diluted (in Rs.)		(7,944.65)

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

Sathya P Koushik
Partner
Membership Number: 206920

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

Place : Bengaluru
Date : October 06, 2021

For and on behalf of Board of Directors

Aditya Arun Kumar
Director
DIN : 069999081

Tarun Kumar Singh
Director
DIN : 08854953

Place : Bengaluru
Date : October 06, 2021

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited (formerly known as Steriscience Pharma Private Limited)
Standalone Statement of changes in equity for the period ended 31 March 2021
(Amount in Rupees Million, except for shares data or as otherwise stated)

A Equity share capital

Particulars	Amount
Balance as at 29 August 2020	-
Add: Shares issued during the period	0.14
Balance as at 31 March 2021	**0.14**

B Other equity

Particulars	Reserves and Surplus		Total equity attributable to the owners of the company
	Securities premium	Retained earnings	
Balance as at 29 August 2020	-	-	-
Shares issued during the period	361.96	-	361.96
Loss for the period	-	(96.17)	(96.17)
Balance as at 31 March 2021	**361.96**	**(96.17)**	**265.79**

See accompanying notes forming part of the financial statements

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

Sathya P Koushik
Partner
Membership Number: 206920

Place : Bengaluru
Date : October 06, 2021

For and on behalf of Board of Directors

Aditya Arun Kumar
Director
DIN : 069999081

Tarun Kumar Singh
Director
DIN : 08854953

Place : Bengaluru
Date : October 06, 2021

Steriscience Specialties Private Limited (formerly known as Steriscience Pharma Private Limited)
Standalone Statement of Cash flows for the period ended 31 March 2021
(Amount in Rupees Million, except for shares data or as otherwise stated)

Particulars	For the period from 29 August 2020 to 31 March 2021
Cash flow from operating activities	
Loss before tax for the period	**(96.17)**
Adjustments for:	
Interest income	(0.03)
Interest expense	9.33
Operating profit before working capital changes	**(86.87)**
Changes in working capital:	
Adjustments for (increase) / decrease in operating assets:	
Inventories	(20.09)
Trade receivables	(15.59)
Other current assets	(5.22)
Adjustments for increase / (decrease) in operating liabilities:	
Trade payables	34.39
Other liabilities (financial & non-financial)	5.27
Cash generated from operations	**(88.11)**
Net income tax (paid) / refunds	-
Net cash flow utilised in operating activities (A)	**(88.11)**
Cash flow from investing activities	
Capital expenditure for property, plant and equipment including capital advances	(258.25)
Investments in subsidiaries	(331.03)
Investments in other entities	(100.00)
Net cash flow utilised in investing activities (B)	**(689.28)**
Cash flow from financing activities	
Proceeds from issue of equity shares	362.10
Proceeds from inter-corporate deposits	847.45
Interest paid on inter-corporate deposits	(0.70)
Net cash flow generated from financing activities (C)	**1,208.85**
Net increase in cash and cash equivalents during the period (A+B+C)	**431.46**
Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalents at the end of the period*	**431.46**
* Comprises	
Cash on hand	-
Balance with banks:	
- In current account	11.46
- In deposit account	420.00
Total	**431.46**

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

Sathya P Koushik
Partner
Membership Number: 206920

Place : Bengaluru
Date : October 06, 2021

For and on behalf of Board of Directors

Aditya Arun Kumar
Director
DIN : 069999081

Tarun Kumar Singh
Director
DIN : 08854953

Place : Bengaluru
Date : October 06, 2021

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS
BENGALURU

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited

Note No.

1 Company information and Significant accounting policies

Steriscience Specialties Private Limited (formerly known as Steriscience Pharma Private Limited) (the "Company") is a private limited Company incorporated on August 29, 2020 under the provisions of Companies Act, 2013 with the object of, inter alia, undertaking the business of development, manufacturing, marketing and distribution of niche pharmaceuticals products such as injectables for various markets. The Company has its registered address at Plot No 30, Galaxy, 1st Main Road, J.P. Nagar, Third Phase, Bengaluru - 560078.

1.1 Basis of preparation and presentation

These financial statements have been prepared to comply in all material aspects with the 'Indian Accounting Standards' ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") read with Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter, as applicable to the Company, and other relevant provisions of the Act.

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value as described in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange of assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

As the Company was incorporated on August 29, 2020, the first financial statements will be prepared for the period from inception to March 31, 2021.

As of March 31, 2020, the Company's net current liabilities exceed its net current assets.
These financial statements have been prepared on a going concern basis, based on the mitigation plans of the Management of the Company which inter alia, includes raising adequate funding. Subsequent to March 31, 2021, the Company has received funding aggregating to Rs 401.50 Million towards 3,933 equity shares of Rs.10 each and the Company believes that it would be able to meet all its obligations in the normal course of business.

1.2 Use of estimates and judgements

In the application of the Company's accounting policies, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

(a) Useful lives of property, plant and equipment

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

(b) Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

1.3 Revenue recognition

Sale of goods

Revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as sales tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale.

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS
BENGALURU

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited

Notes to the standalone financial statements for the period ended 31 March 2021
(Amount in Rupees Million, except for shares data or as otherwise stated)

Note No.

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.

1.4 Foreign currencies transactions and translation

The functional currency of the Company is the Indian Rupee (Rs.).

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated. Income and expense items in foreign currency are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

1.5 Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

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 period 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.

Preference shares which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the statement of profit and loss as finance costs.

Interest 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 period in which they are incurred.

1.6 Employee benefits

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 annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognised in statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period 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 statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

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 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.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

Sterisience Specialties Private Limited

Sterisience Specialties Private Limited

Note No.

Defined contribution plan

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

Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period 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 period 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.

1.7 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

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 period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the 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 (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 period 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 period.

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 period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in statement of profit and 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. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

1.8 Property, plant and equipment

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 is recognised so as to write off the cost of assets (other than freehold land and 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 period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

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.

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Note No.

1.9 Impairment of assets

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 non-financial assets:

At the end of each reporting period, 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 and 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.

1.10 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 and, where applicable, excise duty. Cost is determined as follows:

Raw materials, packing materials and consumables: weighted average basis
Finished goods: material cost and an appropriate share of production overheads and excise duty, wherever applicable
Stock-in trade: weighted average basis

1.11 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 period, 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.

1.12 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.

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Note No.

1.13 Financial instruments

Other financial assets and financial liabilities

Other financial assets and financial liabilities are recognised when 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.

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 other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

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.

Financial liabilities

Financial liabilities are measured at amortised cost using effective interest rate method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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.

Financial guarantee contracts

The Company enters into financial guarantee contracts with its subsidiaries. At the inception of a financial guarantee contract, a liability is recognized initially at fair value and then subsequently at the higher of the estimated loss and amortized cost, the changes in subsequent measurement being recognised in the Statement of Profit and Loss. Where a guarantee is issued for a consideration, a financial asset of an amount equal to the liability is initially recognized at amortized cost. Where a guarantee is issued for no consideration, the fair value is recognized as additional investment in the entity to which the guarantee relates.

1.14 Segment

Segments have been identified taking into account the nature of products, the differing risks and returns, the organizational structure and the internal reporting system. The Holding Company prepares consolidated financial statements and segment information is disclosed in Consolidated financial statements.

1.15 Earnings per share

Basic earnings per share are computed by dividing statement of profit and loss attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

1.16 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

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Note No.

2 Property, plant and equipment

Particulars	Gross block				Accumulated depreciation				Net block
	As at August 29, 2020	Additions	Disposals	As at March 31, 2021	As at August 29, 2020	Depreciation for the period	Eliminated on disposal	As at March 31, 2021	As at March 31, 2021
Office equipments	-	0.03	-	0.03	-	-	-	-	0.03
Total	-	**0.03**	-	**0.03**	-	-	-	-	**0.03**

Note: Refer Note 31 for assets transferred pursuant to BTA

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Note No.	Particulars	As at 31-Mar-2021
3	**Investments**	
	(A) Investments in subsidiaries (carried at cost):	
	Equity shares, unquoted	
	Steriscience Pte. Ltd, Singapore	330.93
	- 4,500,000 shares of USD 1 each fully paid up	
	(B) Investments in joint ventures (carried at cost):	
	Equity shares, unquoted	
	Steribrooks Penems Private Limited	0.10
	- 10,000 shares of Rs 10 each fully paid up	
	Optionally convertible preference shares, unquoted	
	Brooks Steriscience Private Limited	100.00
	- 10,000 shares of Rs 10 each at an issue price of Rs. 10,000 each fully paid up	
	Total	**431.03**
	Aggregate carrying value of unquoted investments	431.03
	Aggregate amount of investments carried at cost	431.03
	Aggregate amount of financial assets carried at amortised cost	-

Notes:

(i) The Company has entered into a Share Transfer Agreement dated March 09, 2021 for sale of 4,500,000 shares in Steriscience Pte. Ltd, Singapore to SixRays Holdings Pte Ltd for a consideration of USD 4.55 Million. Pursuant to the above agreemnt, Company has transferred the shares subsequent to the year end.

(ii) As consolidated financial statements is being prepared by the parent company, Tenshi Life Sciences Private Limited, the Company, by way of exemption available as per para 4 of Ind AS 110 Consolidated Financial Statements has opted not to prepare consolidated financial statements.

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Note No.	Particulars	As at 31-Mar-2021
4	**Other non-current assets**	
	Considered good - unsecured:	
	Capital advances	258.25
	Total	**258.25**
5	**Inventories**	
	Raw materials	61.66
	Total	**61.66**
	Note: Refer Note 31 for inventories transferred pursuant to BTA	
6	**Trade receivables**	
	Trade receivables considered good - unsecured	111.51
	Trade receivables - credit impaired	-
		111.51
	Less: Allowance for credit loss	-
	Total	**111.51**
	Note: Refer Note 31 for receivables transferred pursuant to BTA	
7	**Cash and cash equivalents**	
	Cash on hand	-
	Balance with banks:	
	- In current accounts	11.46
	- In deposit accounts	420.00
	Total	**431.46**
8	**Current financial assets**	
	Considered good - unsecured:	
	Interest accrued on deposit	0.03
	Total	**0.03**
9	**Other current assets**	
	Considered good - unsecured:	
	Advances to suppliers	81.81
	Balances with Government authorities:	
	- GST credit receivable	11.68
	Total	**93.49**
	Note: Refer Note 31 for advances transferred pursuant to BTA	

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Note No.	Particulars	As at 31-Mar-2021	
10	**Equity share capital**	**No. of shares**	**Amount**
	Authorised		
	Equity shares of Rs. 10/- each	1,50,000	1.50
	Compulsorily convertible preference shares of Rs. 10/- each	4,00,000	4.00
	Issued, subscribed and fully paid-up		
	Equity shares of Rs. 10/- each	13,546	0.14
	Total	**13,546**	**0.14**

(i) **Reconciliation of number of shares and amount outstanding:**

Equity shares of Rs. 10/- each	**No. of shares**	**Amount**
Opening balance	-	-
Add: Shares issued during the period	13,546	0.14
Closing balance	**13,546**	**0.14**

(ii) **Detail of the rights, preferences and restrictions attaching to each class of shares:**

Equity shares of Rs. 10/- each

The Company has only one class of equity shares, having a par value of Rs.10/-. The holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the board of directors is subject to approval by the shareholders at the ensuing annual general meeting.
In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution to all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

Compulsorily convertible preference shares of Rs. 10/- each

The Company has only one class of compulsorily convertible preference shares ('CCPS') having a par value of Rs. 10/-. Rate of dividend is Nil. The Board of Directors of the Company at their discretion has the authority to revise the rate of dividend at any time after the allotment of CCPS. Dividend payment, if any, will be paid on non-cumulative basis.

CCPS are convertible into equity shares any time after 1 month from the date of allotment but before twenty years from the date of allotment at a fair value to be determined at the time of conversion at the option of Board of Directors of the Company.

The voting rights of the persons holding the said CCPS shall be in accordance with the provision of Section 47 of the Companies Act, 2013. In the event of liquidation of the Company, the holders of CCPS will be entitled to rank, as regards repayment of capital and arrears of dividend, whether declared or not, up to the commencement of winding up, in priority to the equity shares but shall not be entitled to any further participation in profit or assets or surplus fund.

During the Year company had issued 3,00,000 CCPS of Rs 10 each at an premium of Rs 990 each amounting to Rs 30 crores. Subsequently on 5th March 2021 the CCPS is converted into 2,939 equity shares of Rs 10 each at an premium of Rs 1,02,075 each.

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Note No.	Particulars	As at 31-Mar-2021

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

Name of the shareholder	As at 31-Mar-2021	
	No. of Shares	% of holding
Equity shares of Rs. 10/- each		
Tenshi Life Sciences Private Limited	13,545	99.99%
Aditya Arun Kumar	1	0.01%

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Note No.	Particulars	As at 31-Mar-2021
11	**Other equity**	
	Securities premium account (Refer note (i) below)	361.96
	Retained earnings (Refer note (ii) below)	(96.17)
	Total	**265.79**
(i)	**Securities premium account**	
	Amounts received on issue of shares in excess of the par value has been classified as securities premium.	
	Opening balance	-
	Add: Premium on shares issued during the period	361.96
	Closing balance	**361.96**
(ii)	**Retained earnings**	
	Retained earnings comprises of the amounts that can be distributed by the Company as dividends to its equity share holders.	
	Opening balance	-
	Add: Net loss attributable to owners of the Company	(96.17)
	Closing balance	**(96.17)**
12	**Non-current provisions**	
	Provision for employee benefits:	
	Gratuity	0.26
	Total	**0.26**
13	**Current borrowings**	
	Unsecured loans repayable on demand from related party:	
	Inter-corporate deposit	847.45
	Total	**847.45**
14	**Trade payables**	
	Dues of micro and small enterprises (Refer note (i) below)	-
	Dues of other than micro and small enterprises	142.29
	Total	**142.29**

Note: Refer Note 31 for payables transferred pursuant to BTA

(i)	**Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:**	
(a)	The principal amount due to micro and small enterprises remaining unpaid to any supplier as at the end of each year	-
(b)	The interest due to micro and small enterprises remaining unpaid to any supplier as at the end of each year	-
(c)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-
(d)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-
(e)	The amount of interest accrued and remaining un-paid at the end of each accounting year	-
(f)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductable expenditure under the MSMED Act, 2006	-

This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

15	**Other current financial liabilities**	
	Interest accrued but not due on Inter-corporate deposit	8.63
	Other payables:	
	Payable on account of business purchase	117.90
	Total	**126.53**

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Note No.	Particulars	As at 31-Mar-2021
16	**Current provisions**	
	Provision for employee benefits:	
	Compensated absences	0.34
	Total	**0.34**
17	**Other current liabilities**	
	Statutory liabilities	4.66
	Total	**4.66**

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Note No.	Particulars	For the period from 29 August 2020 to 31 March 2021
18	**Revenue from operations**	
	Sale of products	14.16
	Total	**14.16**

Disaggregated revenue information

(a) In the following table, revenue from contracts with customers is disaggregated by primary geographical market

	Revenue from contracts with customers	
	Europe	14.16
	Total	**14.16**

Geographical revenue is allocated based on the location of the customers.

(b) **Revenue from major customers**
Revenue from one customer of the Company is Rs. 12.74 Million which is individually more than 10 percent of the Company's total revenue.

19	**Other income**	
	Interest from banks on deposits	0.03
	Exchange fluctuation gain (net)	0.74
	Total	**0.77**
20	**Purchases of stock-in-trade**	
	Traded goods	74.29
	Total	**74.29**
21	**Changes in inventories of stock-in-trade**	
	Inventories at the end of the year:	
	- Stock-in-trade	61.66
	Inventories at the beginning of the year:	
	- Stock-in-trade	-
	Net (increase) / decrease	**(61.66)**
22	**Employee benefits expense**	
	Salaries and wages	11.04
	Contribution to provident fund	0.50
	Gratuity expense	0.26
	Other employee benefits	0.02
	Total	**11.82**
23	**Finance costs**	
	Interest on inter-corporate deposit from related party	9.33
	Total	**9.33**
24	**Other expenses**	
	Rates and taxes	0.42
	Legal and professional fees	36.45
	Freight and forwarding	1.56
	Consumables	13.34
	Loss reimbursed to the Group Company (Refer note (ii) below)	23.73
	Payments to statutory auditors (Refer note (i) below)	1.37
	Bank charges	0.22
	Miscellaneous expenses	0.23
	Total	**77.32**
(i)	**Payments to the Statutory Auditors comprises (net of taxes) for:**	
	Audit of financial statements	0.75
	Audit of special purpose financial statements	0.30
	Other services	0.32
	Total	**1.37**

(ii) Amount cross charged by Group Company in respect of differential pricing for sales of Meropenem in local market instead of European market, since the product was not approved by the European regulatory.

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25 Tax expenses

Current tax: During the year, the Company does not have taxable income as per regular computation and as per minimum alternate tax under Sec 115JB of the Income Tax Act 1961.

Deferred tax: The Company has incurred losses in the current year. 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, 2021.

26 Commitments and Contingent liabilities (to the extent not provided for)

Particulars	As at 31-Mar-2021
a) Contingent liabilities	-
b) Commitments - Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	78.59

27 Earnings per share:

Particulars	For the period from 29 August 2020 to 31 March 2021
Loss attributable to the equity holders of the Company	(96.17)
Weighted average number of equity shares used as denominator in calculating earnings per share	12,105
Basic earnings per share (Amount in Rs.)	(7,944.65)
Diluted earnings per share (Amount in Rs.)	(7,944.65)

28 Segment Information

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker (CODM) in deciding how to allocate resources and assessing performance. The Company's CODM is the Managing Director.

The Company is mainly engaged in the business of Pharmaceuticals. Considering the nature of business and financial reporting of the Company, the Company has only one segment viz: Pharmaceuticals.

29 Financial instruments

29.01 Categories of financial instruments

Particulars	As at 31-Mar-2021	
	Carrying value	Fair value
Financial assets:		
Measured at amortised cost		
Cash and bank balances	431.46	431.46
Trade receivables	111.51	111.51
Other financial assets at amortised cost	0.03	0.03
Financial liabilities:		
Measured at amortised cost		
Borrowings	847.45	847.45
Trade payables	142.29	142.29
Other financial liabilities	126.53	126.53

The management assessed that the carrying amounts of financial assets and financial liabilities recognised in the financial statements at amortised cost will reasonably approximate their fair values.

29.02 Fair value measurements

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

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).

29.03 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 minimise 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:

29.04 Foreign currency risk management

The Company is exposed to foreign exchange risk due to:

- 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 (i.e. Indian rupees).

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:

Exposure to the Currency	As at 31-Mar-2021	
	Receivable/ (payable) in foreign Currency	Receivable/ (payable) in Rs.
USD	0.19	14.19
CAD	(0.01)	(0.74)
EUR	(0.00)	(0.16)

29.05 Foreign currency sensitivity analysis

Financial instruments affect Financial instruments affected by changes in foreign exchange rates include payables in foreign currencies. The Company considers US Dollar and Canadian Dollar 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 Rs. is given below:

Exposure to the Currency	As at 31-Mar-2021	
	Increase / (Decrease) in Equity	Increase / (Decrease) in Profit
Appreciation in the USD	0.71	0.71
Depreciation in the USD	(0.71)	(0.71)
Appreciation in the CAD	(0.04)	(0.04)
Depreciation in the CAD	0.04	0.04

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

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.

29.06 Interest rate risk management

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

Particulars	As at 31-Mar-2021
Fixed-rate instruments	
Financial assets	
Balance with banks held in deposit account	420.00
	420.00
Variable-rate instruments	
Financial liabilities	
Inter-corporate deposit from related party	847.45
	847.45

29.07 Financial risk management

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 as a means of mitigating the risk of financial loss from defaults. The Company has an internal mechanism of determining the credit rating of the customers and setting credit limits. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Company is not significantly exposed to geographical credit risk as the counterparties operate across various countries across the globe.

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

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.

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 repayment of principal amounts. 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 value
	< 1 Year	1 to 3 Years	> 3 Years		
Borrowings (including inter-corporate deposits)					
- As on March 31, 2021	847.45	-	-	847.45	847.45
Interest payable on borrowings					
- As on March 31, 2021	8.63	-	-	8.63	8.63
Trade and other payable					
- As on March 31, 2021	260.19	-	-	260.19	260.19

29.08 Capital management

The Company manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity.
The Company is not subject to any externally imposed capital requirements.

29.09 Gearing ratio

The gearing ratio at end of the reporting period was as follows.

Particulars	As at 31-Mar-2021
Debt	847.45
Less:	
Cash and bank balances	(431.46)
Net debt [A]	**415.99**
Total equity [B]	265.93
Net debt to equity ratio (A/B)	**1.56**

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CHARTERED ACCOUNTANTS
BENGALURU

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited

Steriscience Specialties Private Limited (formerly known as Steriscience Pharma Private Limited)
Notes to the standalone financial statements for the period ended 31 March 20
(Amount in Rupees Million, except for shares data or as otherwise stated)

Note

30 Related party information:

30.01 List of related parties:

(i) Controlling parties
Tenshi Life Sciences Private Limited, Holding Company
Arun Kumar Pillai, Promoter

(ii) Subsidiaries and Step down subsidiaries
Steriscience Pte. Limited
Steriscience B V
Steriscience Sp. z.o.o

(iii) Jointly controlled entities
Brooks Steriscience Limited
Steribrooks Penems Private Limited

(iv) Director and Key Management Personnel:
Aditya Arun Kumar, Director
Tarun Singh, Director
C Seetharamaiah, Director
Ankur Nand Thadani, Director
Mahadevan Narayanamoni, Director

(v) Enterprises controlled, owned or significantly influenced by controlling parties, directors and key management personnel.
Tenshi Kaizen Private Limited
Tenshi Kaizen Private Limited, UK
Tenshi Kaizen Pty Limited, Australia
Tenshi Kaizen BV, Netherlands
Tenshi Kaizen Pharma Canada Limited
Tenshi Kaizen USA Inc
Tenshi Kaizen Inc
Tenshi Kaizen Pharma Pte Limited
Six Rays Holdings Pte Limited
Tenshi Life Sciences Private Limited
Tenshi Life Sciences Pte Limited
Karuna Business Solutions LLP
Karuna Healthcare Private Limited
Velbiom Probiotics Private Limited
Triphase Pharmaceuticals Private Limited
Tenshi Pharmaceuticals Private Limited
Stelis Biopharma Limited
Solara Active Pharma Sciences Limited
Strides Pharma Science Limited
Strides Pharma Canada Inc

Note: Related parties are as identified by the Company and relied upon by the Auditors.

30.02 Transactions for the year

Particulars	Controlling parties	Subsidiaries and Step down subsidiaries	Jointly controlled entities	Enterprises controlled, owned or significantly influenced by controlling parties, directors and key management personnel.
	31 March 2021	31 March 2021	31 March 2021	31 March 2021
Equity shares				
Tenshi Life Sciences Private Limited	362.09	-	-	-
ICD/Loan taken from				
Tenshi Life Sciences Private Limited	847.45	-	-	-
Interest Expense				
Tenshi Life Sciences Private Limited	9.33	-	-	-
Investments in equity shares				
Steribrooks Penems Private Limited	-	-	0.10	-
Steriscience Pte. Limited	-	303.72	-	-
Purchase of equity shares of Steriscience Pte. Ltd from - Tenshi Pharmaceuticals Private Limited	-	-	-	27.21
Investments in optionally convertible preference shares				
Brooks Steriscience Limited	-	-	100.00	-
Sale of Goods				
Steriscience Sp.Zo.o	-	12.74	-	-
Purchase of Goods				
Solara Active Pharma Sciences Limited	-	-	-	0.49
Strides Pharma Science Limited	-	-	-	0.14
Stelis Biopharma Limited	-	-	-	0.20
Tenshi Pharmaceuticals Private Limited	-	-	-	32.62
Purchase of Business				
Tenshi Pharmaceuticals Private Limited	-	-	-	117.90
Business support service & IT Expense				
Tenshi Life Sciences Private Limited	30.18	-	-	-
Reimbursement of expenses				
Strides Pharma Canada Inc	-	-	-	0.74
Tenshi Pharmaceuticals Private Limited	-	-	-	6.53
Recovery of expenses				
Tenshi Pharmaceuticals Private Limited	-	-	-	3.21
Advances for Capex				
Stelis Biopharma Limited	-	-	-	434.04
Advance refunded				
Stelis Biopharma Limited	-	-	-	420.00

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Steriscience Specialties Private Limited

Steriscience Specialties Private Limited

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Notes to the standalone financial statements for the period ended 31 March 20[illegible]

30.03 Balances with related parties

Particulars	Controlling parties	Subsidiaries and Step down subsidiaries	Jointly controlled entities	Enterprises controlled, owned or significantly influenced by controlling parties, directors and key management personnel.
	As at 31-Mar-2021	As at 31-Mar-2021	As at 31-Mar-2021	As at 31-Mar-2021
Equity shares				
Tenshi Life Sciences Private Limited	362.09	-	-	-
ICD/Loans payable				
Tenshi Life Sciences Private Limited	847.45	-	-	-
Interest Payable				
Tenshi Life Sciences Private Limited	8.63	-	-	-
Investments in equity shares				
Steribrooks Penems Private Limited	-	-	0.10	-
Steriscience Pte. Limited	-	330.93	-	-
Investments in optionally convertible preference shares				
Brooks Steriscience Limited	-	-	100.00	-
Other Receivables				
Stelis Biopharma Limited	-	-	-	14.04
Advances to suppliers				
Brooks Steriscience Limited	-	-	72.50	-
Trade Receivables				
Brooks Steriscience Limited	-	-	97.32	-
Steriscience Sp.Z.o.o	-	12.78	-	-
Trade Payables				
Tenshi Life Sciences Private Limited	33.35	-	-	-
Stelis Biopharma Limited	-	-	-	0.20
Solara Active Pharma Sciences Limited	-	-	-	0.19
Strides Pharma Canada Inc	-	-	-	0.74
Tenshi Pharmaceuticals Private Limited	-	-	-	81.57
Other payables				
Tenshi Pharmaceuticals Private Limited	-	-	-	117.90

Steriscience Specialties Private Limited (formerly known as Steriscience Pharma Private Limited)
Notes to the standalone financial statements for the period ended 31 March 2021
(Amount in Rupees Million, except for shares data or as otherwise stated)

Note No.

31 During the year, the Company has entered into a "Business Transfer Agreement" (BTA) of business of development, marketing and distribution of niche pharmaceutical products of Injectibles with Tenshi Pharmaceuticals Private Limited for purchase consideration of Rs. 117.90. On transfer, the Company has recognised following assets and liabilities:

Particulars	Amount
Assets	
Inventories	41.57
Trade receivables	95.92
Advance to suppliers	88.27
Fixed assets	0.03
Total assets	**225.80**
Liabilities	
Trade payables	107.90
Total liabilities	**107.90**
Net Consideration	**117.90**

32 COVID-19 is the infectious disease caused by the most recently discovered coronavirus, SARS-CoV-2. In March 2020, the WHO declared COVID-19 a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of the employees and ensure business continuity with minimal disruption.
In assessing the recoverability of investments and receivables, the Company has considered internal and external information up to the date of approval of these financial statements including economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

33 Recent pronouncements

(i) On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. The Company is evaluating the effect of the amendments on its financial statements.

(ii) Subsequent to the year end, the Ministry of Corporate Affairs (MCA) through a notification dated June 18, 2021 has issued new Companies (Indian Accounting Standard) Amendment Rules, 2021 with effect from the date of the notification. The Company is evaluating the effect of the amendments on its financial statements.

34 The financial statements were approved for issue by the board of directors on October 06,2021.

For and on behalf of Board of Directors

Aditya Arun Kumar
Director
DIN : 069999081

Place : Bengaluru
Date : October 06, 2021

Tarun Kumar Singh
Director
DIN : 08854953

Steriscience Specialties Private Limited

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BENGALURU

Steriscience Specialties Private Limited

Stelis Biopharma Limited
Annual Report 2022-23

Stelis
Biopharma

Integrated.
Agile.
Future-ready.

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.

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Contents

What began as a Strides subsidiary has evolved into a fully integrated pure-play biopharmaceutical company with extensive capabilities in biologics, biobetters, biosimilars and vaccine research, scale-up and commercialisation.

Integrated. Agile. Future-ready.

At Stelis, our efforts are backed by our robust Contract Development and Manufacturing Organisation (CDMO) platform and an integrated business model. We have emerged as a leading global biopharmaceutical CDMO in the Asia-Pacific region.

Our agility in building capacities and sharpening precision, efficiency and speed at every stage of process development and manufacturing processes has helped us become a trusted and reliable CDMO partner.

We have a track record of rapidly expanding and adjusting to shifting client requirements. Committed to staying ahead of the curve, we focus on creating high quality products that are not only effective but are also primed to meet the future needs of our clients.

Building on our strengths and leveraging our enhanced R&D capability, we stand at the cusp of an exciting journey ahead. Our diverse product portfolio, world-class process development and manufacturing infrastructure for both drug substances and drug products make us a future-ready organisation, geared to chart new frontiers of growth.

Stelis at a glance

Stelis Biopharma Limited (Stelis) is a pure-play biologics Contract Development and Manufacturing Organisation (CDMO) with capabilities for global expansion. Our technical expertise, innovative capability and emphasis on quality allow us to sustain agile operations and address diverse industry needs.

Stelis offers a comprehensive range of end-to-end solutions for cell line technology transfer and proven capacities for clinical and commercial manufacturing. Our journey began with the build-out of a fully integrated commercial bio-manufacturing facility in Bangalore, India and today we operate three state-of-the-art facilities with world-class process development and manufacturing infrastructure. Leveraging our cutting-edge technology and a competent team of professionals, we ensure unmatched quality and efficiency across our operations.

Vision

We aim to be globally recognised as the most trusted and reliable biopharmaceutical CDMO.

Mission

Our mission is to reliably deliver our clients' biopharmaceutical programmes on time and in full.

Values

Integrity

Operate with the highest degree of integrity and transparency with no compromises at all. By integrity, we mean our people, products and processes display integrity always.

Collaboration

Collaborate with team members and colleagues to deliver synergy and excellence in all activities, actions and decisions, such that we deliver high customer advocacy.

Efficiency

Display entrepreneurial zeal towards work, render high quality services and deliver safe and superior products efficiently.

3

State-of-the-art facilities

85,000+ square metres

Process development and manufacturing space

48,000+ litres

Single-use Bioreactor (SUB) capacity

400 million units

Annual drug production capacity

Business model

‘Leveraging our integrated business model, we are creating sustainable value for all our stakeholders’

We prioritise agility, velocity and innovation to create value for our customers and stakeholders. During FY23, we made great strides in further sharpening our innovative capabilities and strengthening our core, which enabled us to stay ahead of the curve in a dynamic industry.

Capitals

Our finances

We have successfully bolstered our financial performance by effectively managing our order book and implementing cost optimisation strategies that resulted in a substantial reduction in operating expenses.

Manufacturing capabilities

We have three state-of-the-art manufacturing facilities, which are approved by EU-GMP and USFDA regulatory bodies and hold ISO:14000 certification. These facilities have undertaken and completed high-value projects successfully.

Giving back to community

As a responsible corporate entity, we strive to give back to the communities in which we operate, thereby providing them with access to the bare necessities.

Research and development

Our R&D team consistently focuses on innovation to adopt the latest technological advancements and emerging trends in the industry.

Our human resource

Our HR department has effectively implemented and enforced stringent health and safety protocols, resulting in zero reported fatalities throughout the year.

Environmental sustainability

As part of our commitment to promoting sustainable manufacturing practices, we are actively working towards reducing our environmental footprint by implementing several calibrated and precise measures.

Inputs

₹ 40.10 Mn Total equity

3 State-of-the-art manufacturing facilities

₹ 2.20 Million Spent on CSR activities

1,870 Registered local vendors

₹ 19.29 Million Invested in R&D

87 R&D team members

525 Number of employees

70,548 KLD Total water consumption

22,916,245 KWH Total energy consumption

15000 Cubic metres Rooftop rainwater harvesting capacity

How we create value

How we operate

Manufacturing Service Agreements (MSA)

The first part of the CDMO contract includes technology transfer, process development, process sale and the execution of performance qualification (PPQ) batches.

Commercial Sales Agreements (CSA)

The second part of the CDMO contract includes the value secured through the commercial supply of products that are developed for the partner under the MSA.

Our revenue streams

1. Drug Product (DP) Fill finish
2. Microbial Drug Substance (DS)
3. Mammalian Drug Substance (DS)
4. Commercial supplies of integrated DS and DP

Outputs

₹ 457.52 Million

₹ (1648.11) Million Cash generated from operations

90% Water recycled and reused

72% Waste recycled

785 Trees planted

Outcomes

Maintained a strong order book.

Adopted various measures to optimise cost and significantly reduced operating cost.

Ensured access to essential facilities for people living in communities where we operate.

Reused the treated water from our processes to conserve freshwater resources.

Committed to reducing our water footprint and promoting sustainable manufacturing practices.

Creating value for stakeholders

Shareholders

We create value for our shareholders by developing and marketing innovative biologics and biosimilars which have the potential to yield significant returns. Our focus on research and development ensures a steady stream of new products, which can drive growth and enhance shareholder value.

Employees

We care for our employees by providing them with a positive, secure and rewarding work environment. We foster a culture of innovation and collaboration which encourages employees to develop new ideas and contribute to our long-term success.

Community

We provide healthcare assistance to our communities through health camps and public health centres. In addition to this, we construct sitting areas, conduct training sessions on hygiene and strive to make clean water accessible.

Founder's message

> At Stelis, we are now in a sweet spot to establish ourselves as one of the leading biopharmaceutical companies with the potential to achieve excellent returns and substantial profit margins

Arun Kumar

Founder

Dear Shareholders,

At the close of an eventful fiscal year, I am content to share our business performance with you. Our perseverance and resilience were put to the test over the past two years due to several challenges. In addition to geopolitical unrest, supply chain disruptions and other headwinds, we have also seen a worldwide pandemic unfold.

While these difficulties have had varied degrees of impact on each of us, they have also compelled us to revaluate the safety and security aspects of our lives and adjust to the 'new normal.' The risks in the macroenvironment, especially those associated with COVID, are nonetheless present and are expected to persist for the foreseeable future.

However, I begin with the hope that all of you and your family members are safe and healthy. I would like to share with you that Stelis has continued to build upon the initial success of our Contract Development and Manufacturing Organisation (CDMO) business and has made great strides during the year under review. We managed to significantly increase the number of orders received, add new clients and keep our top line stable.

The CDMO market at a glance

While the global biologics CDMO market is valued at more than ₹ 80 billion in 2022 and is forecast to grow at 15% annually between 2022 and 2028, the global economy continues to manage the supply chain inefficiencies, caused by increasing instances of geo-political conflicts and sticky inflation. Despite these headwinds, the trend of outsourcing manufacturing to CDMOs is on the rise, driven by the need for reducing costs, enhancing efficiency and lowering time to market. Biotech companies are now prioritising quality and compliance with regulatory requirements, which CDMOs offer, to ensure the safety and efficacy of the drugs they manufacture.

Business overview

Since its inception in 2013 as a subsidiary of Strides, Stelis has evolved into a leading CDMO that provides end-to-end services to 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.

Stelis today comprises two separate businesses: a global pure-play biological CDMO and a product division with a pipeline of biosimilars and vaccines. We now have three state-of-the-art biologics manufacturing facilities, offering microbial, mammalian and viral vector production for a range of drug modalities and different types of drug products. With more than 48,000L of bioreactor capacity, we have now established ourselves as one of the largest CDMOs in the Asia-Pacific (APAC) region. Quality is at the core of Stelis' culture. We always strive to meet global quality standards, ensure compliance and guide our clients through regulatory approval.

Performance highlights

While we managed to preserve our top line stability throughout FY23, we also gained considerable new orders for our products. Moving forward, as we strive to fulfil these orders, our top and bottom lines will reflect the strong industry position that Stelis is poised to occupy.

Additionally, through the Manufacturing Services Agreement (MSA), which is the pre-revenue component of the CDMO contract, typically includes the technology transfer, process development, process scale and execution of Performance Qualification (PPQ) batches. Our MSAs of INR 410.74 million in FY 2023 will drive a secured commercial services agreement (CSA) of INR 7,713 Million starting FY 2024. The CSA is the second part of the CDMO contract that includes the value of the business, which is secured through the commercial supply of the products developed for the partner under the MSA. Typically, the duration of CSA would be three to five years and is secured by capacity commitment, ensuring an annuity of revenues.

We firmly believe that as the number of MSAs translating into CSAs rises, Stelis could scale up its business considerably and achieve high profitability.

Strategies for sustained growth

Adequate capacity, agility and flexibility in customer interactions, as well as affordability, continue to be our key differentiators. We also rely on the collective expertise of our competent scientific and technical cross-functional teams, supplemented by visionary leadership and efficient regulatory teams, to deliver highly complex scientific programmes for our clients, who trust us to meet their commitments on time and in full. It is on the back of this combination and our unique end-to-end offerings that we meet the highest global quality standards, which is aligned with our philosophy of building and sustaining a Quality Culture.

Going forward, as we continue providing exceptional services to our clients through the existing platforms, we will also focus on widening our reach and increasing our revenue streams.

Future outlook

The shift to the CDMO business is playing out extremely well. We have added several new customers and we are greatly benefiting from the shortages of specific types of capacities that are still challenging the industry. The new customer list that we are bringing on board is also highly encouraging.

At Stelis, we are now in a sweet spot to establish ourselves as one of the leading biopharmaceutical companies with the potential to achieve excellent returns and substantial profit margins. Our several prudent measures of provisioning in Stelis as we move from a product company to a pure-play CDMO are expected to yield us significant dividends in the long-term. As we continue to steer the organisation towards sustainable growth, we will keep creating value for all our stakeholders and the communities residing in the regions where we operate.

Last but not least, I would like to extend my heartfelt gratitude to all my team members, partners and stakeholders for their unwavering trust and cooperation.

With best regards,

Arun Kumar
Founder

Q&A with CFO

Q What were the key highlights and achievements of the year under review, including business performance, customer traction and manufacturing capabilities?

A Although the first two quarters of FY23 were indeed challenging for us, we have made a remarkable turnaround in the last two quarters. Our business performance has significantly improved, and we have a strong order book. Additionally, we have secured several final contracts that are expected to materialise in FY24, indicating a positive trend for the future.

During the year, our focus was on strengthening our end-to-end manufacturing capabilities as a CDMO, starting from initial R&D to producing APIs. We prioritise quality excellence and have adopted various initiatives to improve our performance during the fiscal year. Despite the challenges, we have not incurred any additional capital expenditure for generating a revenue of up to $400 million. With the recent approval in the third quarter and the signing of significantly large contracts, we are confident that our initiatives will continue to yield positive results, and we are well positioned to grow sustainably.

We have achieved several significant milestones during the year. We were able to obtain an approval from the United States Food and Drug Administration (USFDA) for two of our plants and one from the European Union (EU) and Therapeutic Goods Administration (TGA) inspections. We have been successfully executing large-scale projects, which have enabled us to expand our operations and meet the demands of our growing customer base. We have gained significant traction from a large base of customers, which has contributed to our strong order book and revenue growth.

Q What steps have you taken to ensure compliance with global quality standards and how has this impacted your manufacturing and commercial operations?

A We are committed to upholding global quality standards, as evidenced by our recent achievements in obtaining approval from the European Union's Good Manufacturing Practice (EU GMP) and the United States Food and Drug Administration (USFDA). Our CDMO partner has received approval for a critical Abbreviated New Drug Application (ANDA) from the US FDA. This approval allows us to manufacture and market our drug product in the United States.

Our Unit 2 is a critical part of our operations and has the unique capability to produce both drug substances as well as drug products. With these capabilities, we are able to produce a wide range of products and meet the diverse needs of our customers. That unit is equipped with state-of-the-art equipment and supported by highly skilled professionals, who are committed to ensuring that our products are manufactured to the highest quality standards.

Q What has been the cost optimisation initiatives undertaken by the Company to remain market competitive?

A Our Company has been prioritising cost optimisation measures to become more cost competitive. We have identified that a significant portion of our total cost structure is attributed to fixed costs, which we have been actively managing.

In our pursuit to enhance cost competitiveness, we have made a concerted effort to avoid adding any additional costs to Unit 1 and Unit 2. This has required us to closely monitor our cost structure and implement leaner operational practices. At our Unit 3, we have been able to achieve significant cost reductions in our ongoing operational expenses. This has been achieved through careful analysis of our business operations and implementing targeted cost-reduction strategies.

By scrutinising our cost structure at a granular level, we have identified areas where cost savings can be achieved without compromising on the quality of our products or services.

Our commitment to cost optimisation is an ongoing process, and we continue to monitor and refine our operations to further increase cost efficiency across our organisation. We believe that these efforts will position us well in an increasingly competitive market, and help to enhance our long-term sustainability and growth prospects.

Q How has the Company leveraged digital technologies to improve efficiency and innovation across the drug development and manufacturing processes?

A We have made significant investments in implementing an automated system within our plant to streamline our operations and enhance efficiency. In this context I would like to highlight, we have implemented BIOVIA, which has enabled us to automate many of our key processes and reduce the risk of human error. In addition, we have also implemented an online batch records system, which has enabled us to improve our documentation and record-keeping processes. This system provides real-time visibility into our production processes and enables us to identify any potential issues quickly, ensuring that we can address them promptly.

We believe that our investment in automation and process optimisation will help us to maintain our competitive edge and continue to deliver high-quality products to our customers.

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

A Focus on customer acquisition will be crucial for our business growth. We intend to gain traction from a large base of customers to expand our market share. With the recent approval, we are well-positioned to attract more clients and build stronger relationships with them. We have witnessed a strong order book in the last two quarters of the fiscal year 2023, indicating a positive trajectory for growth. We are confident that this trend will continue due to our recent approvals, which have positioned us to serve our global customers with confidence and ensure the highest quality standards. By leveraging our strong reputation for quality and reliability, we are well-positioned to capitalise on emerging market opportunities and build upon our existing relationships with customers worldwide.

Indicating significant potential for future growth as more MSAs translate into CSAs. This positions us well to scale our business and capture more opportunities in the market. Moreover, we have established ourselves as global leaders with an impressive bioreactor capacity of 56,000 litres. As we continue to build on this success, we are confident of our ability to create a sustainable business with sustainable margins and returns for the long term.

P R Kannan
CFO

Guided by a visionary leadership

Board of Directors

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.

P R Kannan

CFO and Executive Director

With 20+ years of experience in the finance, strategy, taxation and M&A. He has been with the Group for over a decade and was earlier the CFO for SeQuent Scientific Limited. He is credited to have led SeQuent towards sustainable growth and deliver significant stakeholder value.

Ankur Thadani

Non-Executive Director

Partner at TPG Growth. He has worked on investments in multiple sectors, including healthcare, energy and consumer sectors across India and the broader outh-Asia region. He also serves on the Boards of Cancer Treatment Services International, Rhea Healthcare and Sutures India.

Mahadevan N

Non-Executive Director

A Senior Advisor to TPG Capital, a global private equity fund manager with > $100B assets under its management. Prior to TPG, Mahad spent over 15 years in the UK and India with Grant Thornton and PwC, on M&A, IPOs, capital raising and performance improvement/restructuring, with a focus on healthcare, pharma, logistics and other sectors.

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.

Ms. Yogita Hatangadi

Nominee Director

Ms. Hatangadi, a proud daughter of an ex-serviceman; is a post graduate in Business Management and started her career in 2004 in equity research. She joined Export-Import Bank of India (India EXIM Bank) in 2005 and has a rich business experience in corporate banking and industrial finance, treasury and fund raising, debt recovery.

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.

P R Kannan

Executive Director and CFO

Frank Ternes

Chief Business Officer

Prateek Gupta

Head of Process Development and MSAT

Milan Doshi

Sr. Vice President (Business Development)

Embarking on a strategic roadmap for success

We have achieved impressive results by meeting customer needs and fostering cooperation among team members and departments.

Additionally, we have invested in building and enhancing our capabilities, focusing on identifying appropriate skill sets and developing a framework for programme capabilities. This has enabled us to meet evolving market requirements efficiently and strategically.

Focused on quality

The attainment of rigorous regulatory compliance in the biopharmaceutical industry serves as a testament to our unwavering dedication to producing exceptional-quality merchandise and expediting our ability to secure manufacturing service contracts that generate pre-commercial revenues. The issuance of an Establishment Inspection Report (EIR) by the US Food and Drug Administration (FDA) represents a momentous leap forward in guaranteeing our ongoing triumph in the global CDMO arena. Recently, we obtained an EIR for two of our facilities, which equips us to deliver top-tier commercial products with unparalleled standards of excellence. Additionally, our facility got EUGMP approval during the same period.

The recent approval of a key Abbreviated New Drug Application (ANDA) by one of our CDMO partners is a testament to our commitment to providing high-quality CDMO services and supporting our partners in bringing important pharmaceutical products to the market.

Execution of large projects

We recently received an EIR for our manufacturing facilities, which empowers us to deliver commercial products with the highest standards of quality. It also enhances our reputation and credibility in the biopharmaceutical industry, allowing us to expand our presence in the global market and improve revenue streams.

Fostering innovation and collaboration

One of the key growth drivers for Stelis remains our highly skilled scientific and technical cross-functional teams with diverse and deep experience in biopharmaceutical development and manufacturing. Resting on a culture of innovation and collaboration, we seek new avenues of growth and development. We have carved a niche in the industry by leveraging our technical expertise. This has enabled us to implement complicated scientific programmes while meeting stringent quality standards.

Expanding our reach

Our unique end-to-end offerings have strengthened our position in the industry. In addition to our scientific and technical capabilities, we expand our reach further.

While improving the capacity of existing products and technologies, we strongly emphasise meeting our customers' needs and delivering products through the most appropriate channels. Apart from pursuing new developments, we are also dedicated to providing exceptional customer service through existing platforms. It is anticipated that we will grow our customer base and increase revenue streams in the days ahead.

Meeting evolving customer requirements

We are committed to enhancing our customer base by offering innovative and high-quality services that meet the evolving needs of the industry. Based on market research and customer feedback, we identify the requirements of our target audience.

We have implemented a customer-centric approach to provide excellent service, build trust and foster long-term relationships. To enhance our customer outreach, we roll out several promotional offers.

Strengthening our team

Stelis Biopharma is focused on building a strong team to ensure long-term success. Hiring, training and retaining the best talent is one of our key focus areas. We endeavour to build a positive work culture that helps enhance productivity and operational efficiency. By implementing several people-centric initiatives and conducting numerous employee engagement programmes, we create a working environment that is conducive to the growth of our people and the organisation.

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

Our commitment to building a sustainable and profitable biologics business is evident in our growth strategy. By focusing on expanding our team, establishing networks and providing comprehensive end-to-end support, we are poised for continued success in the biologics industry. Project management is a critical part of our strategy, as it facilitates interaction between the customer and us. Focusing on project management, we meet customer expectations by delivering high-quality information in a timely and cost-effective manner. This dedication to meeting customer needs is key to our success in the biologics industry.

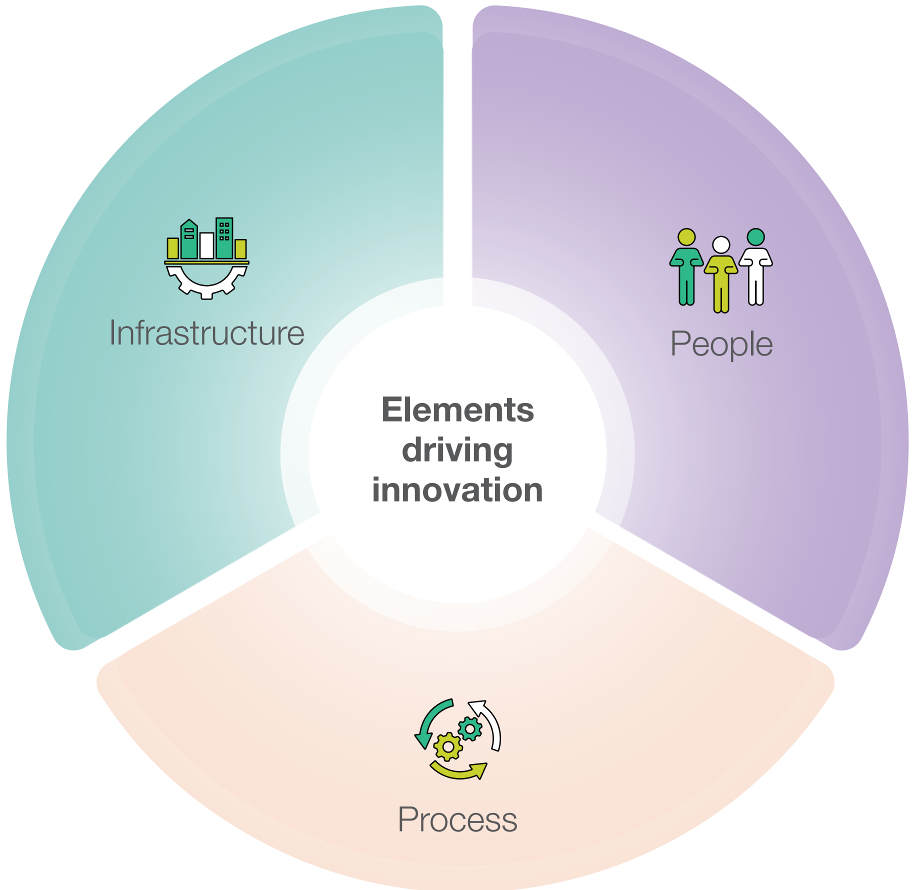
Driving customer retention and expansion

Stelis has teams across the US, UK, EU, India, and the Asia-Pacific. We offer higher yields and efficiency and have seen a significant improvement in customer retention. Notably, customers who previously sought only a single product have now demonstrated a propensity for acquiring multiple products from us. We attribute this shift in behaviour to our remarkable manufacturing capability and our advanced infrastructure that supports our endeavours to deliver superior-quality products. We have also received approval for our manufacturing base in Europe and are expected to become an efficient, agile and flexible bio-manufacturing organisation that produces high-quality drugs without extensive regulatory oversight, as expressed by the FDA.

Keeping innovation at the core

Our commitment to innovation remains at the core of our operations. We create products that exceed customer expectations. Through extensive research and development, we continue to introduce new and ground-breaking products to the market. It keeps us a step ahead of the competition and constantly provides us with opportunities for growth and expansion.

Our delivery models and integrated technologies are highly versatile, enabling us to effectively handle new compounds with diverse and challenging properties. Moreover, our manufacturing infrastructure is designed to deliver innovative solutions for leading pharmaceutical companies.



At Stelis, innovation comprises three essential elements - People, who introduce novel ideas, efficient processes that lower costs and third-party infrastructures that provide additional support to the innovation process.

To retain high-performing talent, we offer a conducive working environment that is ideal for attracting skilled professionals. Moreover, we are allocating a significant portion of our profits towards R&D, as it empowers us to introduce innovative products that meet the evolving needs of our customers.

Targeting niche products

How we do it

Stelis leverages new technology and efficient processes to create innovative products at a lower cost. We strive to improve efficiency and ensure cost competitiveness through a focus on innovation and sustainability, allowing us to deliver value to customers while maintaining profitability.

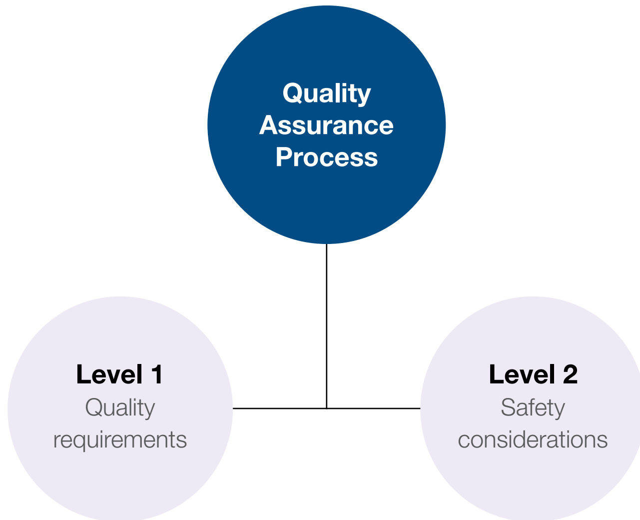
We recently received approval for our debut product and numerous other products are awaiting approval. Our focus is not limited to any particular therapeutic area. Instead, we intend to concentrate on developing and marketing niche products to improve our market share.

Strategies to conduct successful clinical trials

- Creation of a strong clinical team for effective and efficient clinical trial management
- A robust internal regulatory function for navigating the complex regulatory landscape and ensuring compliance
- Conducting extensive clinical studies to improve the success rate of clinical trials
- Gaining a thorough understanding of regulatory requirements to address concerns proactively
- Investing in key areas and taking a strategic approach to clinical trials to maximise the chances of success.
- Introduction of new and innovative products to the market with caution and care.

Assuring quality

To ensure product quality, it is essential to go beyond standard operating procedures and safety guidelines. It entails the creation of a product that eliminates the danger of being potentially harmful to patients. When product quality is concerned, we take a comprehensive approach that considers every aspect, ranging from product design to development.



To achieve a flawless end product, we continuously refine our process. It ensures adherence to regulatory guidelines and compliance standards while delivering high-quality products. Our focus on niche products helps us strengthen our foothold in the industry through stronger R&D efforts. With the development of a robust product development framework, we seek to introduce innovative products to the market and meet the evolving needs of customers.

Quality benchmarks

At Stelis, we are committed to delivering products that consistently meet our clients' expectations and comply with the most stringent global regulatory requirements.

Quality assurance is something we prioritise in all facets of our business. In both the design and production of our products, we place considerable emphasis on quality to guarantee the safety and satisfaction of our customers.

183
Members of the quality team

10
Inspection and Audits during FY23

EU-GMP[1]
Approval (June 2022)

USFDA[2]
Approval (January 2023)

[1] European Union Good Manufacturing Practice
[2] United States Food and Drug Administration

Our ability to meet the stringent regulatory norms of the biopharmaceutical industry demonstrates our commitment to delivering the best quality products and accelerates our ability to close manufacturing services agreements for pre-commercial revenues. Furthermore, the issuance of the Establishment Inspection Report (EIR) by the USFDA marks a significant step forward for us to ensure continued success in the global CDMO landscape.

Emphasis on quality control

Our quality control procedure entails sequential checks to ensure the consistency of orders. We also employ a digital monitoring system to oversee the process and maintain transparency.

At our facilities, cGMP Quality Control is a crucial aspect of our manufacturing process. Our Quality Control and Analytical Development teams collaborate to carry forward analytical methods from process development to cGMP manufacturing. We have fully equipped onsite laboratories to carry out a range of tests on raw materials, microbiology, environmental monitoring and stability management. Additionally, our microbiology laboratory conducts various tests, including sterilisation, endotoxin testing and microbial control. With a dedicated culture handling area and Bioburden testing areas, our facilities prioritise contamination control.

Embedding digitalisation

To ensure effectiveness of quality control systems, we utilise SAP Enterprise Resource Planning and Material Management, TrackWise QMS management, BIOVIA Document Management, Training Management and Laboratory Information Systems. These platforms efficiently perform quality assurance checks, providing us with greater control of our quality systems. By leveraging IT-enabled platforms, we strive to meet quality standards consistently, which enable us to provide our customers with the top-notch quality products and services.

Strong quality governance

At Stelis, we place great emphasis on strong quality governance, which is why our site leaders engage in joint reviews of site performance. Additionally, our Chief Quality Officer (CQO) reviews our site quality system regulation (QSR) and corporate QSR, which represent the highest level of review within our organisation.

Our steadfast dedication to ensuring the highest standards of quality for our products and services is reflected in our regular inspections, which are conducted by our department heads. The insights gleaned from these inspections are then shared across our various plants, fostering a culture of learning and continuous improvement.

Environmental, social and governance (ESG)

Stelis undertakes comprehensive environmental, social and governance (ESG) initiatives and has set ambitious ESG targets for itself. We focus on upholding the highest standards of ESG by implementing sustainable practices in all that we do. To minimise our environmental footprint, we incorporate several energy-efficient technologies and recycling and waste reduction programmes.

At Stelis, we remain steadfast in our commitment to ethical conduct across all our operations. To ensure that our operations are conducted with integrity and transparency, we have comprehensive policies and procedures in place. As we believe that responsible supply chain management is essential, we collaborate with our suppliers to make sure that they adhere to ethical and sustainable practices.

Environment

We are cognisant of the way our operations impact the environment. At Stelis, we have a dedicated Environment, Health and Safety (EHS) department that oversees the implementation and enforcement of ourEnvironment Health and Safety, Sustainability (EHSS) policy policy. Moreover, all our units are ISO 14001:2015 certified and we are in the process of implementing ISO 45001:2018 certification. These certifications demonstrate our adherence to internationally recognised environmental, health and safety standards. Through our concerted efforts, we have made remarkable strides in reducing emissions, minimising waste and lowering our environmental impact.

ISO 14001:2015

All three units are certified

Carbon sequestration

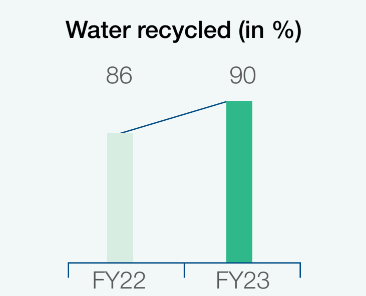
To lower our carbon footprint, we make sincere efforts to enhance air quality. To this end, we have pledged to plant trees equivalent to four times the total number of our employees every year. By doing so, we contribute to the sequestration of carbon from the atmosphere and the restoration of our planet's natural ecosystem.

785

Trees planted

Responsible water management

At Stelis, we prioritise responsible water management and have taken calibrated measures to lower our water consumption. Additionally, we have implemented zero liquid discharge (ZLD) in all our manufacturing facilities. To treat wastewater, these systems include a biological treatment plant, a recycling plant and a Multiple Effect Evaporator (MEE). This ensures that all our wastewater is processed and recycled, and that no liquid waste is released into the environment. We reuse the treated water in our operations, reducing our water footprint. Furthermore, we have installed a rooftop rainwater collection tank for rainwater harvesting, thereby lowering our reliance on freshwater resources.



70,548 KLD

Water consumed

64,899 KLD

Water recycled

15,000 cubic metres

Rooftop rainwater harvesting capacity

Effective waste management

We are committed to reducing our operational waste and are limiting it to 5%. Apart from this, we provide environmental training to our employees to encourage the adoption of eco-friendly practices. These initiatives reflect our focus on responsible waste disposal.

We strive diligently to ensure that the hazardous waste generated from our manufacturing operations is properly treated. By lowering the amount of waste produced and directing it to the authorised facilities for treatment, storage and disposal, we have consistently enhanced our waste management procedures. To reduce the quantity of waste to be disposed of, we have accelerated recycling and co-processing it.

72%

Waste recycled

Adopting renewable energy

Promoting sustainable development has become a business imperative now. Therefore, we are implementing sustainable practices and reducing our carbon footprint by adopting renewable energy sources. To reduce our dependence on petroleum-based fuels, we are intending to install our own solar energy panels in the upcoming years. This move will not only promote environment-friendly, responsible business practices, but will also contribute to economic benefits, as it will assist us in reducing energy costs in the long run.

Social

Being a responsible organisation, we are committed to making a positive change in society and promoting social well-being. Also, we actively promote inclusive growth, diversity and equal opportunities for all. At Stelis, our approach to social responsibility is based on ethical business practices, transparency and accountability. We engage with our stakeholders regularly to understand their concerns and address them through several initiatives. Our social initiatives focus on education, healthcare, skill development and environmental conservation. We believe that our efforts to create a positive social impact will contribute to the sustainable growth of our business and the communities we serve.

Health and well-being

Committed to safeguarding the health of our employees and stakeholders, we have robust safety protocols and training programmes in place to ensure that our operations are conducted in a secure manner. Mentioned below are some of the initiatives that we undertake for the health and well-being of our employees.

Annual health assessments

Each year, we make sure that all our employees receive comprehensive health assessments to identify and address any potential health concerns.

Comprehensive safety training

We prioritise the safety of our people and have a comprehensive safety training programme in place. Also, our employees receive classroom instruction on personal and industrial safety practices as well as hands-on training in fire extinguishing and firefighting techniques.

49

Modules were covered in the training

4,042

Manhours training provides

Mental health support and a secure work environment

At Stelis, we firmly believe that mental health is just as vital as physical health. We have in-house health centres and doctors who organise monthly sessions to address any mental health concerns. Additionally, our manufacturing facilities are designed with safety measures in mind, which have resulted in no reportable incidents in the current fiscal year.

Zero

Fatalities

Prompt medical attention

Our in-house doctors, paramedical staff and ambulances offer immediate medical attention whenever required. We also seek external medical expertise whenever necessary.

Regular safety audits

We conduct routine safety audits to assess the effectiveness of our safety measures and ensure a safe work environment for our employees.

3

Safety audits

Employee engagement

We encourage various employee engagement programmes, such as celebrating important events, participating in green initiatives, including planting and composting, and organising family functions. Occasions including Women's Day, ethnic and regional festivals, as well as potlucks and handicraft competitions, are also celebrated to foster employee engagement.

Embracing diversity

At Stelis, we promote gender diversity and inclusiveness. We actively recruit women through special drives. In addition, we adhere to government regulations to offer employee benefits to women.

15%

Women employees trained

Learning and development

We believe that learning and development are consistent processes. Therefore, we invest significant time and resources in training our people to hone their capabilities and facilitate their career advancement.

49

Training programmes conducted

4082

Training man hours

HR digitalisation

To make it easier for our employees to access and comprehend our HR policies, we have adopted the digitalisation of our HR modules and tools through a mobile application. This move has made it more convenient for the employees to stay informed of the latest policies and guidelines.

Rewards and recognition

At Stelis, we foster a culture of recognition. We have set up a reward system based on compliance with HR policies, wherein employees who adhere to the policies earn more points and are awarded at the end of the month. These initiatives are aimed at promoting transparency and efficiency in our HR processes while encouraging employees to excel in their roles and contribute to the organisation's growth.

Safety Skit Prize for Unit2: Stelis Biopharma Limited.

Giving back to the communities

Our unwavering focus remains on fulfilling our social responsibilities through various well-thought-out Corporate Social Responsibility (CSR) initiatives aimed at promoting education, healthcare and infrastructure in the communities in which we operate. We actively interact with the local communities to identify focus areas and work towards addressing them. We also encourage our people to volunteer in these CSR activities.

Making quality education accessible

Quality education forms the bedrock of a secure future. We firmly believe that education is a fundamental human right and our objective is to ensure that every child in our communities has access to quality education. To this end, we have enhanced the infrastructure of schools to provide quality education, with blackboards installed to ensure students have access to the necessary resources.

Access to clean drinking water

As clean drinking water is key to the health and well-being of our communities, we are making clean drinking water accessible to reduce the incidence of waterborne diseases.

Health and sanitation

At Stelis, we are stepping up with our health and sanitation initiatives to ascertain the holistic well-being of our communities. Our contributions include donating solid waste management trucks for proper waste collection and disposal, which help mitigate the risk of pollution and diseases. We have built washrooms in schools, promoted cleanliness and hygiene, as well as reduced the incidence of waterborne illnesses.

In addition to this, we organised health camps and assisted public health centres to make sure that our communities had access to medical care.

Governance

We prioritise upholding the highest standards of governance as it helps us make informed decisions. Also, we ensure effective and transparent communication with all our stakeholders, including shareholders, creditors, employees and the Government. To accomplish this, we have a robust governance structure in place that draws on global best practices and the expertise of our esteemed Board of Directors.

Ensuring transparency

Our Board offers invaluable guidance on several material topics, including creating sustainable value as well as ensuring ethical conduct, fair treatment and legal compliance. At Stelis, we believe transparency and accountability to be our guiding principles, which have helped us build enduring relationships with our stakeholders over the years.

Promoting diversity

We, at Stelis, promote workforce diversity, as we appreciate the diverse capabilities and perspectives that it offers. To enable an inclusive work environment, we have a team comprising individuals from various regions, educational backgrounds, age groups and experiences. We do not distinguish our team members based on characteristics such as religion, ethnicity, gender and so on. Our team members collaborate to overcome obstacles and drive organisational success.

6

Non-executive Directors

85-90%

Average Board meeting attendance

Corporate Information

Board of Directors:

Gopakumar Nair – Non-Executive Director and Independent Director

Rajashri Ojha - Non-Executive Director and Independent Director

Arun Kumar - Founder & Non-Executive Director

Ankur Thadani - Non-Executive Director

Mahadevan Narayanamoni - Non-Executive Director

Yogita Hatangadi – Non-Executive Director and Nominee Director

PR Kannan - Executive Director & CFO

Chief Financial Officer:

PR Kannan

Company Secretary:

Trisha A

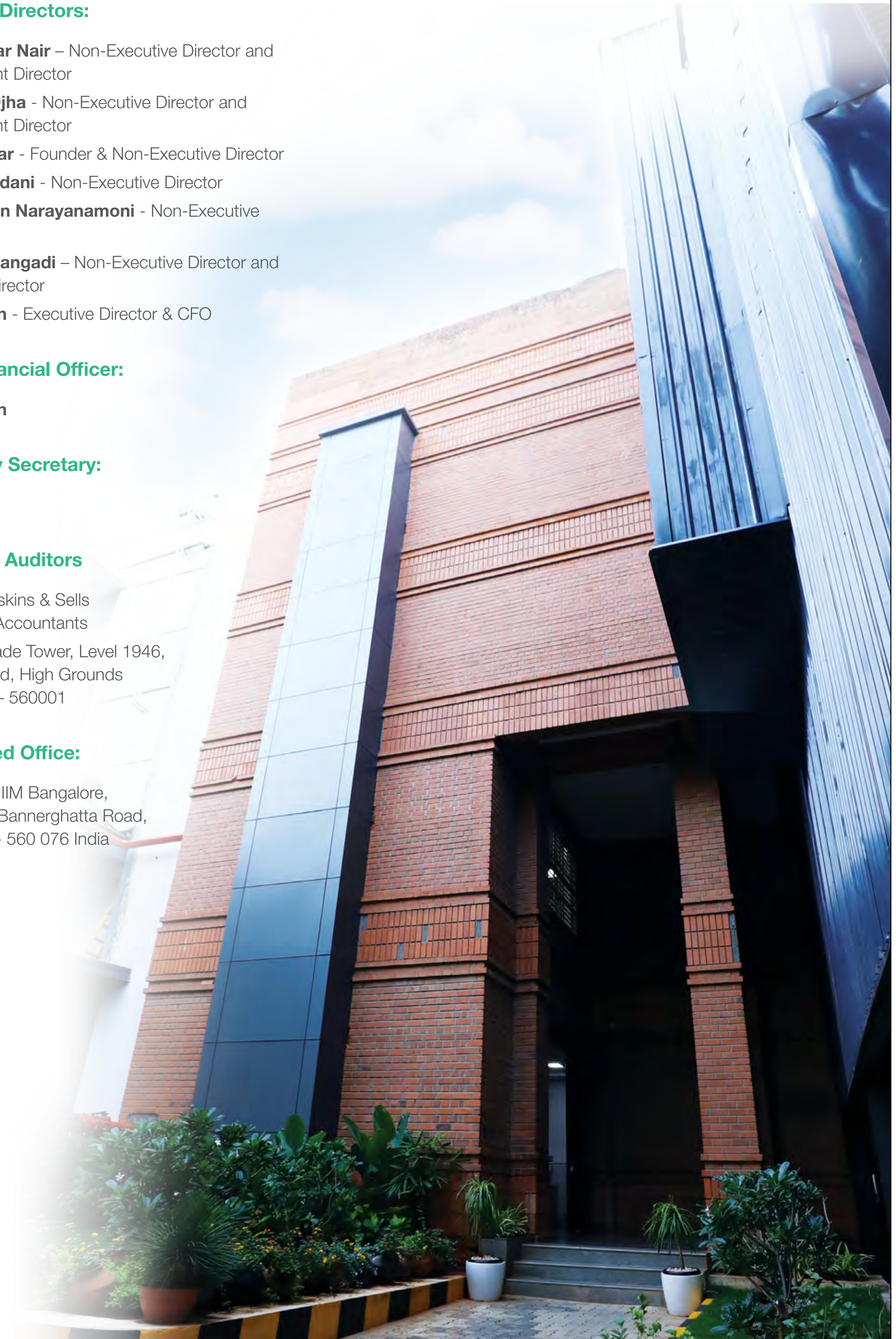
Statutory Auditors

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



Management Discussion and Analysis

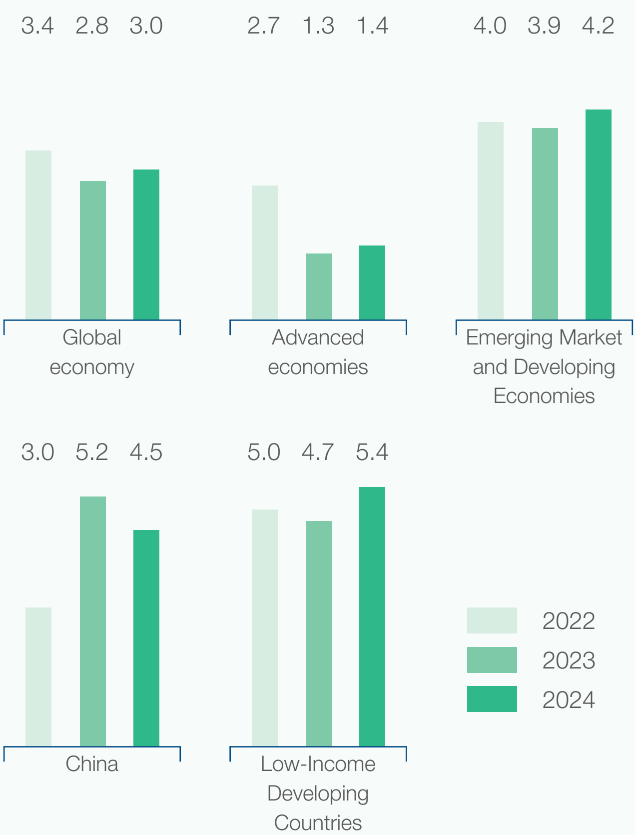
Global economy

In 2022-23, the global economy appeared to be recovering gradually from the adverse impact of the pandemic and the Russia-Ukraine conflict. Following the reopening of the economy, China is witnessing a strong rebound. Supply-chain constraints are unwinding, and the war's repercussions on energy and food markets are eventually receding. Central Banks worldwide have tightened money policy which is expected to rein in stubborn inflation. According to the IMF, global growth is projected to be 2.8% this year before gradually peaking at 3.0% in 2024. Global inflation will decline but considerably slower than anticipated, from 8.7% in 2022 to 7.0% this year and 4.9% in 2024.

The emerging markets and developing economies (EMDEs) have exhibited resilience despite global economic uncertainty, registering a growth rate (fourth quarter over fourth quarter) of 4.5% this year. The economic slowdown is concentrated mainly in advanced economies, especially the euro area and the UK, where growth (also fourth quarter over fourth quarter) is expected to decline to 0.7% and –0.4%, respectively, this year before reaching 1.8% and 2.0% in 2024.

[Source- IMF World Economic Outlook, April 2023]

Economic growth (%)



[Source- IMF World Economic Outlook, April 2023]

Industry Overview

By the end of 2023, the global pharmaceutical market is expected to reach USD 1.5 trillion, with the United States being the major consumer. Several variables, including new product uptake and brand pricing, primarily drive rising expenditure in the United States. The United States is estimated to spend over USD 600 billion on pharmaceuticals during the year.[1]

The global biotechnology industry was worth around USD 1,224.31 billion in 2022 and is expected to reach roughly USD 3,210.71 billion by 2030, growing at a compound annual growth rate (CAGR) of 12.8% from 2023 to 2030.[2] Biotechnology today encompasses multiple disciplines, including biochemistry, genetics, and molecular biology. New technologies and products in fields such as medicine, agriculture, and industrial biotechnology are developed yearly.

The global pharmaceutical CDMO market was projected to be USD 135.85 billion in 2022 and is expected to grow at a CAGR of 6.1% between 2023 and 2030[3]. The expansion is fuelled by several variables, including the surge in demand for biopharmaceuticals, improvements in manufacturing technology, and the tendency to outsource medication development and manufacture. In addition to being a crucial part of the pharmaceutical sector, the contract development and manufacturing organizations (CDMO) market is well-positioned to grow considerably, benefitting the entire healthcare sector.

Opportunities

Advancements in Research and Development (R&D)

The biopharma industry invests consistently in cutting-edge R&D, developing novel therapies and enhancing scientific understanding. Consequently, brand-new medications, biologics, and treatments are developed that can cater to unmet medical requirements and improve patient outcomes.

Emerging markets

Demand for better healthcare and access to better medications is rising as economies develop, especially in emerging nations. To widen their reach and improve patients' health worldwide, the biopharmaceutical industry can tap into the underserved markets in these developing economies.

Patient-centric approach

Biopharma players are recognizing the necessity of a patient-centric approach to healthcare. Companies can develop more effective treatments by involving patients in the drug development process, understanding their needs, and considering patients' perspectives.

[1] https://www.healtheconomics.com/industry-news/report-global-pharma-market-to-surpass-1-5-trillion-by-2023

[2] https://www.precedenceresearch.com/biotechnology-market

[3] https://www.grandviewresearch.com/industry-analysis/pharmaceutical-cdmo-market-report

Challenges

Talent acquisition and retention

Due to the highly specialized nature of the biopharmaceutical sector, attracting and retaining qualified and experienced workers in fields such as research, development, and clinical trials can be challenging.

Drug safety concerns

Throughout every stage of a drug's lifespan, safety must be guaranteed. Unexpected occurrences and unintended adverse effects can lead to recalls, legal action, and reputational harm to the company concerned.

Company Overview

Stelis Biopharma is a leading and fully integrated biopharmaceutical contract development and manufacturing organization (CDMO). As a vertically integrated biopharma and vaccines company, Stelis has extensive capabilities in developing and manufacturing complex biologics, biosimilars, and vaccines. From cell line technology transfer to clinical and commercial manufacturing, it offers a comprehensive range of services, including converting drug substances into stable formulations.

With a sharp focus on growth and innovation, the Company is positioned to emerge as one of the leading biologics CDMO players globally, owing to its impressive scale and capacity. The company's state-of-the-art cGMP manufacturing facilities in Bangalore, India, are a testament to its commitment to delivering high-quality services for its clients. Leveraging its expertise in various technology platforms, including microbial and mammalian systems, Stelis is dedicated to meeting the diverse needs of the biopharmaceutical industry.

Strengths

Technological enhancement

The Company employs Enterprise Resource Planning and Material Management, TrackWise QMS Management, BIOVIA Document Management, Training Management, and Laboratory Information Systems. By leveraging these advanced technological tools, Stelis aims to adhere to quality standards across all operational aspects consistently. The Company is poised to deliver quality products and services to its valued clientele by deploying these IT-enabled platforms.

Innovation and collaboration

Stelis Biopharma's technical expertise has been a key factor in its sustained growth. This technological prowess has enabled it to tackle intricate challenges in the biopharmaceutical field and deliver innovative solutions to its clients. With extensive biopharmaceutical development and manufacturing expertise, the Company has successfully carved a niche in the industry. Over the years, the Company has executed complex scientific programs while adhering to stringent quality standards.

Enhancing capabilities

The Company is in a sweet spot to grow and boost its profitability substantially. It has one of the largest CDMO capacities in the APAC region, including suites for mammalian bioreactors. Additionally, it can expand capacity at an industry-leading pace.

Compliance with standards

The Company has skilled quality and regulatory personnel that help meet the highest quality standards. Its workforce is equipped to handle inspections from the USFDA, EUGMP, MHRA, WHO, and many other renowned organizations. The Company ensures the quality of its offerings comprehensively and methodically.

Operational highlights

- USFDA issued Establishment Inspection Report (EIR) to the Stelis Flagship facility for GMP and drug-device combination products. EU-GMP also approved the facility during the year. The facility also cleared several customer inspections, including from large global companies.
- Stelis continues to attract new partners for its CDMO business as it expands its marketing footprint across the regions.
- Stelis has contracted business with five new partners this year, more than five long-term contracts have reached the definitive agreement stage, and agreements for manufacturing services will be executed in due time.
- The Company has 20+ partners, including some of the top 10 Global companies. As of the end of FY23, Stelis' manufacturing services agreement (MSA) translated to a cumulative commercial sales agreement (CSA) value of over $220 million over the next three to four years.
- Considering that the first partner product for Stelis received USFDA approval, the company will begin generating revenue from commercial supplies (CSAs) in the second half of FY24.
- Stelis anticipates positive EBITDA in FY24 and will be PAT positive in FY25

Human Resource

The safety and well-being of its personnel is the Company's foremost priority. It has implemented robust safety protocols and comprehensive training programs to ensure that all operations are carried out securely. At Stelis, its workforce undergoes classroom instruction and hands-on training that covers personal and industrial safety practices and fire extinguishing and firefighting techniques. The Company's human resources strategy promotes gender diversity and inclusiveness. Recognizing the significance of gender balance in the workforce, the Company undertakes initiatives to attract and recruit women through special drives. By encouraging gender diversity, the Company creates an inclusive and equal opportunity environment for all its team members.

525

Total number of employees

15%

Women employees trained

Internal control and the adequacy

Internal control mechanisms have been implemented to the operational size and company needs. The Internal Controls Framework was developed to assist the organization in enhancing operational effectiveness and efficiency, increasing the dependability of financial controls, ensuring accurate and timely reporting, meeting regulatory obligations, and maintaining SOP compliance. Risk identification, assessment, and mitigation methods are developed based on the dynamic business and economic environment to ensure sustained growth.

Outlook

The Company has established itself as a prominent player in the Asia-Pacific (APAC) region, emerging as one of the industry's largest Contract Development and Manufacturing Organisations (CDMOs). The company's remarkable growth has been fuelled by adding several new customers and capitalizing on the lack of specific capacities that continue to pose challenges for the biopharmaceutical sector. Stelis has taken prudent measures to ensure long-term success in its transition from a product company to a pure-play CDMO. The Company's strategic focus on provisioning and investment in cutting-edge capabilities are expected to yield significant dividends over time.

Cautionary statement

Certain statements in the MDA section concerning prospects may be forward-looking statements that involve several underlying identified and unidentified risks and uncertainties that could materially cause actual results to differ. In addition to the preceding changes in the macro-environment, a global pandemic like COVID-19 may pose an unforeseen, unprecedented, unascertainable, and constantly evolving risk(s), among other things, to the Company and the environment in which it operates. The results of these assumptions, relying on available internal and external information, are the basis for determining specific facts and figures stated in the report. Since the factors underlying these assumptions change over time, the estimates they are based on are also subject to change accordingly. These forward-looking statements represent only the Company’s current intentions, beliefs, or expectations, and any forward-looking statement speaks only as of the date it was made. The Company assumes no obligation to revise or update any forward-looking statements, whether due to new information, future events, or otherwise.

Board's Report

Dear Shareholders,

On behalf of the Board of Directors of the Company, it gives us pleasure in presenting the Sixteenth Board's Report and Audited Financial Statements for the financial year ended March 31, 2023.

1. Financial summary

The Company has prepared the Consolidated and Standalone Financial Statements for the financial year ended March 31, 2023, 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:

(In ₹ Million except per share data)

Particulars	2022-23	2021-22
Revenue from Operations	410.74	1,321.27
Other Income	46.78	58.64
Total Income	**457.52**	**1,379.91**
Less: Expenses	4,997.14	3,677.31
Profit/ (Loss) Before Tax (PBT)	(4,539.62)	(2,297.40)
Exceptional items gain / (loss) (net)	(3,451.50)	-
Less: Tax Expense	-	-
Profit/ (Loss) After Tax (PAT)	(7,991.12)	(2,297.40)
Earnings per equity share		
- Basic	(200.69)	(64.85)
- Diluted	(200.69)	(64.85)

2. Company's Performance

The highlights of the Company's performance for the year ended March 31, 2023 are as under:

- Revenue from Operations has decreased by 68.91% to ₹ 410.74 Million
- Net profit has decreased by 71.25% to ₹ (7,991.12) Million

3. Nature of Business and Changes

The 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.

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, 2023.

5. Transfer to Reserves

There are no appropriations to/from the general reserves of the Company during the year ended March 31, 2023.

6. Share Capital

The 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 2022-23, equity shares have been issued to the following persons:

#	Name of Shareholder	Date of Allotment	No. of Shares	Premium (in ₹)	No. of Shares
1.	Medella Holdings Pte Ltd	November 02, 2022	12,25,115	652	Private Placement
2.	Karuna Business Solutions LLP	December 26, 2022	5,66,000	652	Private Placement
		December 28, 2022	30,630		
		December 30, 2022	76,570		
		March 06, 2013	5,51,915		

Consequently, the Issued, Subscribed and Paid-up Share Capital of the Company as on March 31, 2023 is as under:

Particulars	Issued Capital	Subscribed Capital	Paid-up Capital
Number of equity shares	4,15,46,510	4,15,46,510	4,00,23,816
Nominal Amount per equity Share (₹)	1	1	1
Total amount of equity shares (₹)	4,15,46,510	4,15,46,510	4,00,23,816

Note: The difference in Issue and 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 transfer was recorded during FY 2022-23.

7. Public Deposits

The 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 as on March 31, 2023:

- Biolexis Pte. Ltd,Singapore
- Biolex Private Limited, India
- Stelis Biopharma UK Private Limited, UK

Stelis Biopharma UK Private Limited was incorporated on November 30, 2022 as the wholly-owned Subsidiary of the Company with the below mentioned list of Directors:

#	Name of Director	Nationality
1	Kannan PR	Indian
2	Stelis Biopharma Limited	Indian Body Corporate

Accounts of Subsidiaries

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared xConsolidated 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:

- Mr. Aditya Puri resigned as Non-Executive Director of the Company effective March 29, 2023, owing to pre-occuptation;
- Mr. Adayapalam Kumaraswamy Viswanathan resigned as Independent Director of the Company effective March 29, 2023, owing to pre-occuptation;
- Ms. Vineeta Rai resigned as Independent Director of the Company effective March 14, 2023, owing to pre-occuptation;
- Ms. Puja Aggarwal resigned as Company Secretary of the Company effective March 14, 2023.
- Ms. Trisha A was appointed as the Company Secretary of the Company effective March 14, 2023.

Composition of the Board of Directors as on March 31, 2023 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. Ankur Nand Thadani	03566737	Non-Executive Director	March 26, 2021
4.	Mr. Mahadevan Narayanamoni	07128788	Non-Executive Director	March 26, 2021

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

Changes to the Board composition post March 31, 2023 is as below:

The Board at its meeting held on May 04, 2023 has appointed the below members as Independent Directors of the Company pursuant to Section 152 read with Rule 4 of The Companies (Appointment and Qualification of Directors) Rules, 2014 for a term of five years, effective May 04, 2023:

#	Name	Designation	Date of Appointment
1.	Dr. Gopakumar Nair	Independent Director	May 04, 2023
2.	Ms. Rajashri Ojha	Independent Director	May 04, 2023
3.	Ms. Yogita Hatangadi	Nominee Director – Representing India Exim Bank	May 04, 2023

13. Meetings of the Board and Committees

Eight 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 15,2022
2.	June 07, 2022
3.	July 27, 2022
4.	October 21, 2022
5.	January 20, 2023
6.	January 23, 2023
7.	March 09, 2023
8.	March 21, 2023

- **Audit and Risk Management Committee**

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

#	Date of Committee Meeting
1.	May 23, 2022
2.	June 07, 2022
3.	July 27, 2022
4.	October 21, 2022
5.	January 20, 2023

Pursuant to the resignation of Ms. Vineeta Rai (DIN:)and Mr. AK Viswanathan (DIN:) as Independent Directors of the Company, the Audit and Risk Management Committee stands dissolved as on March 31, 2023.

However, post the appointment of Independent Directors on the Board, the management is in the process of re-composing the composition of the Committee at its upcoming Board meeting.

- **Nomination and Remuneration Committee (NRC)**

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

#	Date of Committee Meeting
1.	June 07, 2022
2.	September 06, 2022
3.	October 21, 2022
4.	January 20, 2023

Pursuant to the resignation of Ms. Vineeta Rai (DIN:)and Mr. AK Viswanathan (DIN:) as Independent Directors of the Company, the Nomination & Remuneration Committee stands dissolved as on March 31, 2023.

However, post the appointment of Independent Directors on the Board, the management is in the process of re-composing the composition of the Committee at its upcoming Board meeting.

- **Management Committee**

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

#	Date of Committee Meeting
1.	April 20,2022
2.	May 27, 2022
3.	June 22, 2022
4.	June 27, 2022
5.	June 30, 2022 at 09:45 HRS
6.	June 30, 2022 at 14:15 HRS
7.	June 30, 2022 17:30 HRS
8.	July 01, 2022
9.	July 11, 2022
10.	July 18, 2022
11.	July 20, 2022
12.	July 26, 2022
13.	July 28, 2022
14.	July 29, 2022
15.	August 18, 2022
16.	August 22, 2022
17.	August 24, 2022
18.	August 25, 2022
19.	August 30, 2022
20.	September 14, 2022
21.	September 21, 2022
22.	September 23, 2022
23.	September 27, 2022
24.	September 28, 2022
25.	October 08, 2022
26.	October 13, 2022
27.	October 19, 2022
28.	October 28, 2022
29.	November 02, 2022
30.	November 29, 2022
31.	December 09, 2022
32.	December 26, 2022
33.	December 28, 2022
34.	December 30, 2022
35.	February 14, 2023
36.	March 06, 2023
37.	March 16, 2023

The composition of the Management Committee as on March 31, 2023 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)**

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

- June 07, 2022
- January 20, 2023

Pursuant to the resignation of Ms. Vineeta Rai (DIN:)and Mr. AK Viswanathan (DIN:) as Independent Directors of the Company, the Corporate Social Responsibility Committee stands dissolved as on March 31, 2023.

However, post the appointment of Independent Directors on the Board, the management is in the process of re-composing the composition of the Committee at its upcoming Board meeting.

Attendance of Members of Board and Committees at the meetings held during FY 2022-23 is as mentioned below:

Board & Committees	Board Meeting	Audit Committee	NRC Committee	Management Committee	CSR Committee
Number of Meetings held	8	5	4	37	2
Members' attendance					
Mr. Aditya Puri	7	4	4	-	-
Mr. Arun Kumar	8	-	-	0	2
Mr. PR Kannan	8	-	-	37	2
Mr. Ankur Nand Thadani	4	-	1	-	-
Mr. Mahadevan Narayanamoni	7	-	-	37	-
Ms. Vineeta Rai	7	5	4	-	2
Mr. AK Viswanathan	8	5	4	-	2

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

The Company's Rremuneration 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 per sitting to the Non-Executive 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

The 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

The 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.

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 and Unit 3, 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, 2023, is enclosed along with the financial statements. The Auditors Report for the year ended March 31, 2023, 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 Ninteeth AGM of the Company.

B) Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Company is required to appoint a Secretarial Auditor for FY 2022-23.

Board at its meeting held on October 21, 2022 had appointed M/s. D V & Associates, firm of Company Secretaries in Practice as the Secretarial Auditor for the Company.

The Secretarial Audit for the FY 2022-23, inter-alia, included audit of compliance with the Companies Act, 2013 and the Rules made under 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 31st March 2023. 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 2022-23.

The Board members at their meeting held on May 04, 2023 have appointed Mr. M. Ashok Kumar, Cost Accountant (Registration No. – 102240), as Cost Auditor of the Company for FY 2022-23 for a fees of INR 200,000/- excluding out of pocket expenses and applicable taxes.

The Board members at their meeting held on May 24, 2023 have re-appointed Mr. M. Ashok Kumar, Cost Accountant (Registration No. – 102240), as Cost Auditors of the Company for the financial year 2023-2024 for a fees of INR 200,000/- excluding out of pocket expenses and applicable taxes, subject to the ratification by the Members of the Company in the ensuing Annual General Meeting, and accordingly, the same is placed for approval of the shareholders.

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, 2023.

24. Material Changes and Commitments

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

There were no 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 conversation, 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. 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

	PR Kannan	**Arun Kumar**
Date: July 28, 2023	Executive Director & CFO	Non-executive Director
Place: Bangalore	DIN: 03435209	DIN: 00084845

Annexure 1

Form AOC 1

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

Statement containing sailent features of the financial statement of subsidiaries/ associate companies/ joint ventures)

PART A - SUBSIDIARIES

Information relating to Subsidiary of the Company as at March 31, 2023

Rs. in Mio

Sl No.	Name of the Subsidiary	Country of incorporation	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency	Exchange Rate as on last date of the relevant Financial year in the case of foreign subsidiaries.	(a) Share Capital (Includes Monies pending allotment)	(b) Reserves & Surplus	(c) Total Assets	(d) Total liabilities	(e) Investments	(f) Turnover	(g) Profit before taxation	(h) Provision for taxation	(i) Profit after taxation	(j) Proposed dividend	(k) % Shareholding
A	**Subsidiaries**															
1	Biolexis Pte. Ltd (Formerly Stelis Pte. Ltd)	Singapore	NA	USD	82.2087	520.31	(663.81)	1.00	144.50	-	-	(632.48)	-	(632.48)	-	100.00%
2	Biolexis Private Limited	India	NA	INR	1	0.10	(10.43)	1.94	12.27	-	-	(10.43)	-	(10.43)	-	100.00%
3	Stelis Biopharma UK Private Limited	UK	NA	Pound Sterling	-	-	-	-	-	-	-	-	-	-	-	100.00%
B	**Associates and Joint Ventures**								Nil							

* Note: Stelis Biopharma UK Private Limited was incorporated on November 30, 2022

For **Stelis Biopharma Limited**

Date : July 28, 2023
Place : Bangalore

PR Kannan
Executive Director & CFO
DIN: 03435209

Arun Kumar
Non-Executive Director
DIN: 00084845

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 2022-23 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, 2023 - Nil

For **Stelis Biopharma Limited**

PR Kannan
Executive Director & CFO
DIN: 03435209

Arun Kumar
Non-Executive Director
DIN: 00084845

Date : July 28, 2023
Place : Bangalore

Annexure 3

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

[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,
Stelis Biopharma Limited
(Formerly Stelis Biopharma Private 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 Stelis Biopharma Limited (Formerly Stelis Biopharma Private 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, 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 31st March, 2023, 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.

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/Labour 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. vide Mortgage by deposit of title deeds by constructive delivery dated 22nd June, 2022 has modified charge ID 100467234 to create additional security on said charge;

ii. convened shareholders meeting on 15th September, 2022 and altered Articles of Association of the Company;

iii. convened shareholders meeting on 26th October, 2022 and passed special resolution for Preferential Allotment of Equity Shares on Private Placement Basis;

iv. allotted 12,25,115 (Twelve lakh twenty five thousand one hundred and fifteen) equity shares of Rs. 1.00 (Rupee one only) each at a premium of Rs. 652.00 (Rupees six hundred and fifty two only) per share on 02nd November, 2022;

v. allotted 566,000 (Five lakh sixty six thousand) equity shares of Rs. 1.00 (Rupee one only) each at a premium of Rs. 652.00 (Rupees six hundred and fifty two only) per share on 26th December, 2022;

vi. convened Board meeting on 20th January, 2023 and passed resolution for ratification of incorporation of wholly owned subsidiary in UK and approval of investment in the subsidiary, Incorporation of wholly owned subsidiary in USA and Investment in Biolexis Pte Ltd;

vii. convened Board meeting on 20th January, 2023 and passed resolution for shifting registered office address within the local limits of Bangalore City;

viii. convened Board meeting on 23rd January, 2023 and passed resolution for issue of up to 80,000 (Eighty Thousand) Unsecured Non-Convertible Debentures with nominal value of INR 10,000 (Rupees Ten Thousand) each on a private placement basis;

ix. allotted 50,000 (Fifty thousand) Unsecured non-convertible Debentures of Rs. 10,000.00 (Rupee ten thousand only) each at par on 14th February, 2023;

x. allotted 551,915 (Five lakh fifty one thousand nine hundred and fifteen) equity shares of Rs. 1.00 (Rupee one only) each at a premium of Rs. 652.00 (Rupees six hundred and fifty two only) per share on 06th March, 2023;

xi. vide (i) Mortgage By Deposit of Title Deeds - Constructive Delivery dated June 30, 2022 executed between IDBI Trusteeship Services Limited ("Security Trustee") and Stelis Biopharma Limited ("Company") ("MOE"); (ii) Deed Of Hypothecation dated March 30, 2022 executed between Company and Security Trustee ("DOH"); (iii) Declaration dated June 30, 2022 executed between Company and Security Trustee ("Declaration") has modified charge ID 100552504 to create additional security on said charge;

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
Peer Review Certificate no. 2876/2023
UDIN: F009353E000364323

Place: Ernakulam
Date: 24th May, 2023

Annexure to Secretarial Audit

To,
The Members,
Stelis Biopharma Limited
(Formerly Stelis Biopharma Private 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
Peer Review Certificate no. 2876/2023
UDIN: F009353E000364323

Place: Ernakulam
Date: 24th May, 2023

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.

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 INR 0.75 Mn per month.

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

(iii) The capital investment on energy conservation equipment

a) Installed motion detectors to switch off lights whenever not required

b) Installed temperature monitoring system along with auto shut off to save energy when the temperature in the labs reached 24 degree Celsius

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

(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

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

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

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.

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

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

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

(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: ₹ 237,655,787 and Foreign Exchange outgo in terms of Actual Outflows: ₹ 672,264,641

For and on behalf of the Board of Directors

	PR Kannan	**Arun Kumar**
Date : July 28, 2023	Executive Director & CFO	Non-Executive Director
Place : Bangalore	DIN: 03435209	DIN: 00084845

Financial Statements

Independent Auditor's Report

To
The Members of
Stelis Biopharma Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Stelis Biopharma Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash flow statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, 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 specified under section 143(10) of the Act (SAs). 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 Matter	Auditors response
1	**Going concern assessment** The Company has recorded a loss amounting to 7,991.12 million for the year ended March 31, 2023. 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. The Company evaluated its ability to continue as a going concern based upon an assessment of the following: - monetizing the value of the intangibles/intangibles under development by way of obtaining marketing rights from regulatory authorities and licensing them; - generating increased revenues from CDMO operations; - divestment of one of the Multimodal facility to Syngene International Limited on a slump sale basis;	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: • 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; • Compared the forecasted cash flows with the Company's business plan approved by the board of directors; • 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;

Sl. No.	Key Audit Matter	Auditors response
	- infusion of capital by current shareholders to the extent of partly paid shares; - continuing financial support from promoter shareholders. This required the exercise of significant judgement, particularly in forecasting the Company's ability to meet all its obligations as on 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. 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. Considering the significance of the area to the overall standalone financial statements this was significant for our audit.	• Performing a retrospective review to assess the reasonableness of Company's past projections by comparing historical forecasts to actual results; • 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 refinancing agreements (as may be required) and non-binding agreement with one of the potential customer for divestment of one of the manufacturing facilities; • Assessing the pending infusion by the current shareholders towards partly paid-up shares and financial support from the promoters and a promoter group company; • Performing sensitivity analysis on the forecasted cash flows by considering plausible changes to the key assumptions adopted by the Company; • Assessing the adequacy of the disclosures related to application of the going concern assumption.
2	**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 March 31, 2023:** 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) as at March 31, 2023. 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. 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:	**Our principal audit procedures performed, among other procedures included:** • We obtained an understanding of the Management's process for impairment assessment of the carrying value of assets of the CGU. • Evaluated the design and implementation of the relevant controls and carried out testing of the management's control around the impairment assessment. • 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. • Evaluated the competence of the management's expert and the key assumptions considered in the management's estimates of future cash flows. • 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.

Sl. No.	Key Audit Matter	Auditors response
	• 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, • discount rate • probabilities applied to the revenues which also factors management's best estimate of possible delay in product development cycle and regulatory approvals.	• 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. • 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. • 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. • We tested the arithmetical accuracy of the computations. • 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.
3	**Impairment assessment in respect of carrying value of the assets relating to Unit 3 – Multimodal facility as at March 31, 2023:** As stated in note 4G of the standalone financial statements and for the reasons stated in the said note which includes the geopolitical conflict between Russia and Ukraine and the subsequent sanctions enforced on Russia, the management of the Company has assessed the impairment of carrying value of assets relating to Unit 3 - Multimodal facility as at March 31, 2023. The Management has involved external specialist to carry out impairment assessment. The evaluation requires a comparison of the estimated recoverable value of the CGU to the carrying value of the assets in the CGU. 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:	**Our principal audit procedures performed, among other procedures included:** • We obtained an understanding of the Management's process for impairment assessment of the carrying value of assets of the CGU. • Evaluated the design and implementation of the relevant controls and carried out testing of the management's control around the impairment assessment. • 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. • Evaluated the competence of the management's expert and the key assumptions considered in the management's estimates of future cash flows. • 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.

Sl. No.	Key Audit Matter	Auditors response
	• Generation of revenues in due course from the multimodal facility, • attainment of profitable operations, • discount rate • terminal growth rate	• 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 discount rate applied to the future cash flows and terminal growth rate. • 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. • We tested the arithmetical accuracy of the computations. • 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.

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

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

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 standalone financial statement 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 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 management either intends 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 control 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 control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books .

    c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash flow statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

    d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

    e. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

    f. 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.

    g. 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 .

h. 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 note 30 of its 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 it's knowledge and belief, as disclosed in the note 39 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, 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 it's knowledge and belief, as disclosed in the note 39 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that causes us to believe that the representation given by the Management 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. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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)

Sathya P. Koushik
(Partner)
(Membership No. 206920)
(UDIN: 23206920BGYMGH5064)

Place: Bengaluru
Date: July 28, 2023

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 Stelis Biopharma Limited ("the Company") as of March 31, 2023 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 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 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 system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to standalone financial statements established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls With reference to standalone financial statements issued by the Institute of Chartered Accountants of India.

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

Sathya P. Koushik
(Partner)
(Membership No. 206920)
(UDIN:23206920BGYMGH5064)

Place: Bengaluru
Date: July 28, 2023

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 March 31, 2023 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 quarter ended June 30, 2022, September 30, 2022 and December 31, 2022.

(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	March 31, 2022	365 days	None
Biolexis Pte Ltd	Interest on Loan	Rs. 0.12 Million	March 31, 2023	1 day	None

During the current year, the Company has converted loan of USD 50,000/- granted to Biolexis Pte Ltd to Redeemable Preference Shares with effect from November 1, 2022 with a face value and issue price of USD 1 per redeemable preference share.

(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. 0.05 Million	Rs. 0.05 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 March 31, 2023.

(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 slights delays in respect of remittance of Income-tax dues. We have been informed that the provisions of the Employees' State Insurance Act, 1948 are not applicable to the Company.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2023.

(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 is negotiating with bank for extending timelines for repayment.

(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) The Company has made private placement of shares during the year. For such allotment of shares, the Company has complied with the requirements of Section 42 and 62 of the Companies Act, 2013, and the funds raised have been, prima facie, applied by the Company during the year for the purposes for which the funds were raised.

(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 March 31, 2023.

(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) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report) and provided to us, when performing our audit.

(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 2022 and the draft of the internal audit reports issued after the balance sheet date covering the period 01 January 2023 to 31 March 2023 for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, during the year ended March 31, 2023 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 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. 3,168 million during the financial year covered by our audit (excluding write off of inventories amounting to Rs. Rs. 1,716 million and intangibles under development of Rs. 633 million which were acquired/spent in earlier years) and Rs. 1,507 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 the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date (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)

Sathya P. Koushik
(Partner)
(Membership No. 206920)
(UDIN:23206920BGYMGH5064)

Place: Bengaluru
Date: 28 July 2023

Standalone Balance Sheet

as at March 31, 2023

(₹ in Million)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
A. ASSETS			
I Non-current assets			
(a) Property, Plant and Equipment	4A	11,269.51	11,856.61
(b) Right of use assets	4B	399.08	412.09
(c) Capital work in progress	4C	1,912.31	677.56
(d) Other intangible assets	4D	1,944.68	42.83
(e) Intangible assets under development	4E	1,432.38	3,719.49
(f) Financial assets			
(i) Investments	5	0.10	516.69
(ii) Loans	6	–	3.79
(iii) Security deposits	7	100.30	110.73
(g) Other non-current assets	8	743.95	1,993.48
Total non-current assets		**17,802.31**	**19,333.27**
II Current assets			
(a) Inventories	9	1,331.57	2,625.45
(b) Financial assets			
(i) Investments	5	45.00	–
(ii) Trade receivables	10	37.37	366.01
(iii) Cash and cash equivalents	11A	49.10	1,214.69
(iv) Bank balances other than (ii) above	11B	748.53	479.82
(c) Other current assets	8	70.53	422.00
Total current assets		**2,282.10**	**5,107.97**
Total assets (I+II)		**20,084.41**	**24,441.24**
B. EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	12A	40.10	30.36
(b) Other equity	12B	7,827.04	10,115.98
Total Equity		**7,867.14**	**10,146.34**
II Liabilities			
1 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings - LT	13	3,348.75	5,972.53
(ii) Lease liabilities	14	211.15	218.14
(b) Provisions	15	21.50	21.14
Total Non-current liabilities		**3,581.40**	**6,211.81**
2 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	5,018.16	5,570.18
(ii) Lease liabilities	14	64.14	54.06
(iii) Trade payables	17		
(A) total outstanding dues of micro enterprises and small enterprises		170.99	135.65
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		777.03	486.87
(iv) Other financial liabilities	18	1,950.46	1,526.47
(b) Other current liabilities	19	619.26	276.54
(c) Provisions	15	35.83	33.32
Total Current liabilities		**8,635.87**	**8,083.09**
Total Equity and liabilities (I+II)		**20,084.41**	**24,441.24**

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

Sathya P Koushik
Partner
Membership Number: 206920

Place : Bengaluru
Date : July 28, 2023

For and on behalf of Board of Directors

P R Kannan
CFO & Executive Director
DIN : 03435209

Arun Kumar
Non- Executive Director
DIN: 00084845

Allada Trisha
Company Secretary
Membership Number: A47635

Place : Bengaluru
Date : July 28, 2023

Standalone Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in Million)

Sl No	Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
1	Revenue from operations	20	410.74	1,321.27
2	Other income	21	46.78	58.64
3	**Total income (1+2)**		**457.52**	**1,379.91**
4	**Expenses**			
	(a) Consumables	22	355.13	1,603.40
	(b) Changes in inventories of finished goods and work-in-progress	23	(11.40)	(1,046.37)
	(c) Employee benefits expenses	24	870.83	569.65
	(d) Finance costs	25	1,207.63	680.20
	(e) Depreciation and amortisation expenses	26	1,141.01	703.49
	(f) Other expenses	27	1,433.94	1,166.94
	Total expenses (4)		**4,997.14**	**3,677.31**
5	**Loss before exceptional items and tax (3-4)**		**(4,539.62)**	**(2,297.40)**
6	Exceptional items gain / (loss) (net)	28	(3,451.50)	–
7	**Loss before tax (5+6)**		**(7,991.12)**	**(2,297.40)**
8	Tax expense		–	–
9	**Loss for the year (7-8)**		**(7,991.12)**	**(2,297.40)**
10	Other Comprehensive Income			
	Items that will not be reclassified to statement of profit and loss			
	– Remeasurements of post employment benefit obligations-gain / (loss)		4.75	2.75
	– Income tax relating to these items		–	–
	Total other comprehensive income		**4.75**	**2.75**
11	**Total comprehensive loss for the year (9+10)**		**(7,986.37)**	**(2,294.65)**
12	**Earnings per equity share (of ₹ 1/- each)**	33		
	– Basic		(200.69)	(64.85)
	– Diluted		(200.69)	(64.85)

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

Sathya P Koushik
Partner
Membership Number: 206920

Place : Bengaluru
Date : July 28, 2023

For and on behalf of Board of Directors

P R Kannan
CFO & Executive Director
DIN : 03435209

Arun Kumar
Non- Executive Director
DIN: 00084845

Allada Trisha
Company Secretary
Membership Number: A47635

Place : Bengaluru
Date : July 28, 2023

Standalone Cash Flow Statement

for the year ended March 31, 2023

(₹ in Million)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
A. Cash flow from operating activities				
Profit / (Loss) for the year		(7,991.12)		(2,297.40)
Adjustments for:				
Depreciation and amortisation (Refer Note 21)	1,141.01		703.49	
Finance costs (Refer Note 20)	1,207.63		680.20	
Interest income (Refer Note 18)	(30.32)		(10.44)	
Other income (Refer Note 18)	–		(0.36)	
Write-off of Property, Plant and Equipment	7.11		–	
Share based payment expenses (refer note 40)	59.59		–	
Profit on sale of investments	(1.15)		–	
Gain on sale of property, plant and equipment	–		(0.06)	
Insurance claim against property, plant and equipment	(9.03)		–	
Sundry Creditors written off	(0.06)		(29.54)	
Exceptional Items (refer note 28)	3,451.50		–	
Investment written off	–		15.15	
Unrealised exchange (gain)/loss (net)	221.92		109.01	
		6,048.20		1,467.45
Operating profit / (loss) before working capital changes		**(1,942.92)**		**(829.95)**
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Trade receivable	187.86		(343.59)	
Other assets (financial & non-financial)	14.15		(786.59)	
Decrease / (increase) in inventories	(573.49)		(2,576.51)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	150.94		121.38	
Other liabilities (financial & non-financial)	406.04		218.62	
		185.50		(3,366.69)
Net cash used for operating activities				
Income taxes (paid)/refund		109.31		–
Net cash flow from / (used in) operating activities (A)		**(1,648.11)**		**(4,196.64)**
B. Cash flow from investing activities				
Capital expenditure on property, plant and equipments including capital advances	(418.42)		(6,496.07)	
Investments in mutual funds	(771.46)		–	
Proceeds from redemption of mutual funds	772.61			
Investments in subsidiaries	–		15.24	
(Increase)/decrease in balance held as margin money	(268.71)		(374.98)	
Interest received	30.32		10.44	
Net cash flow from / (used in) investing activities (B)		**(655.66)**		**(6,845.37)**

Standalone Cash Flow Statement

for the year ended March 31, 2023

(₹ in Million)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
C. Cash flow from financing activities				
Proceeds from issue of equity shares	5,647.58		4,655.47	
Proceeds from issue of non-convertible debentures	500.00		–	
Proceeds of short term borrowings - Related party	955.00		1,838.63	
Proceeds of short term borrowings - Banks	78.73		–	
Proceeds of long-term borrowings	28.52		7,654.75	
Repayment of long-term borrowings	(3,962.59)		(1,840.84)	
Repayment of short term borrowings	(926.05)		–	
Lease Payments	(85.10)		(32.20)	
Interest paid	(1,052.91)		(688.35)	
Net cash flow from / (used in) financing activities (C)		**1,183.18**		**11,587.46**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**(1,120.59)**		**545.45**
Cash and cash equivalents at the beginning of the year		1,214.69		669.24
Cash and cash equivalents at the end of the year		**94.10**		**1,214.69**
Reconciliation of cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet (Refer Note 11A)		49.10		1,214.69
Liquid Mutual Funds (Refer Note 11A)		45.00		–
Cash and cash equivalents at the end of the year *		**94.10**		**1,214.69**
* Cash and cash equivalents comprises:				
Cash on hand		0.66		0.57
Balances with banks				
– in current accounts		48.44		1,214.12
Liquid Mutual Funds		45.00		–
Total		**94.10**		**1,214.69**

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

Sathya P Koushik
Partner
Membership Number: 206920

Place : Bengaluru
Date : July 28, 2023

For and on behalf of Board of Directors

P R Kannan
CFO & Executive Director
DIN : 03435209

Arun Kumar
Non- Executive Director
DIN: 00084845

Allada Trisha
Company Secretary
Membership Number: A47635

Place : Bengaluru
Date : July 28, 2023

Statement of Changes in Equity

for the year ended March 31, 2023

A. Equity Share Capital

(1) Current reporting period

(₹ in Million)

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

(2) Previous reporting period

(₹ in Million)

Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
15.43	14.93	30.36

B. Other equity

(₹ in Million)

Particulars	Share application money pending allotment	Reserves and Surplus			Total equity attributable to equity holders of the Company
		Securities premium account	Share based payment reserve	Retained earnings	
Balance as at April 01, 2021	0.02	11,761.24	–	(3,991.15)	7,770.11
Loss for the year	–	–	–	(2,297.40)	(2,297.40)
Issue of shares pursuant to exercise of share warrants	(0.02)	–	–	–	(0.02)
Utilisation against the Bonus Issues	–	(9.97)	–	–	(9.97)
Premium received on shares issued during the year	–	4,650.51	–	–	4,650.51
Remeasurements of post employment benefit obligations - Recognised as OCI	–	–	–	2.75	2.75
Balance as at March 31, 2022	**–**	**16,401.78**	**–**	**(6,285.80)**	**10,115.98**
Loss for the year	–	–	–	(7,991.12)	(7,991.12)
Premium received on shares issued during the year	–	5,637.84	–	–	5,637.84
Charge for the year	–	–	59.59		59.59
Remeasurements of post employment benefit obligations - Recognised as other comprehensive income	–	–	–	4.75	4.75
Balance as at March 31, 2023	**–**	**22,039.62**	**59.59**	**(14,272.17)**	**7,827.04**

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

Sathya P Koushik
Partner
Membership Number: 206920

Place : Bengaluru
Date : July 28, 2023

For and on behalf of Board of Directors

P R Kannan
CFO & Executive Director
DIN : 03435209

Arun Kumar
Non- Executive Director
DIN: 00084845

Allada Trisha
Company Secretary
Membership Number: A47635

Place : Bengaluru
Date : July 28, 2023

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023

Note No. 1 - General Information

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

These financial statements comprise the Standalone Balance sheet of the Company, Standalone Statement of Profit and Loss (including Other Comprehensive Income), Standalone Cash flow statement, Standalone statement of changes in equity, significant accounting policies and other explanatory information (together referred as the “standalone financial statements””).

Note No 2 - Significant accounting policies

2.1 Statement of compliance

These standalone financial statements have been prepared to comply in all material aspects with the ‘Indian Accounting Standards’ (“Ind AS”) notified under Section 133 of the Companies Act, 2013 (the “Act”) read with Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter, as applicable to the Company, 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 period, as explained in the accounting policies below.

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

(b) During the year ended March 31, 2023, the Company has incurred loss of Rs. 7,991.12 million (Previous year Rs. 2,297.40 million). The Company’s current liabilities (including current maturities of long-term debt of Rs. 3,079.20 million) exceeded its current assets by Rs. 6,353.77 million as at March 31, 2023.

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 year ended March 31, 2022 and 2023 as these have not been met and is hopeful of receiving the necessary waivers. The Company does not expect any penalty/call back of loans and accordingly, the Company has considered the pre-existing repayment terms in classifying the current and non-current portion of the borrowings.

Further during the year, the Company has received claims or notices from various vendors towards overdue balances amounting to Rs. 233.14 million which has not been acknowledged as debt owed by the Company.(refer note 30)”

Subsequent to the year end, on July 4, 2023, the Company has signed up a binding offer with Syngene International Limited (Syngene) for sale of its Unit 3 Multimodal Facility in Bangalore. The transaction will be on a slump sale basis for a cash consideration subject to certain defined conditions precedents. Parties have agreed for a long stop date of December 31, 2023 to complete the transaction.

The Company is expected to grow the business of Contract Development and Manufacturing Operations (CDMO). During the current financial year, Company’s facility in Bengaluru has successfully completed inspection by several regulators including EMA and USFDA and one of the Company’s customers has also recently received approval from USFDA for a product filed from the site.

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 received marketing authorization for one its products during the year which it expects to monetise through licensing and supply arrangements.

During the year, the promoter group companies and other Investors have infused equity into the Company aggregating to Rs. 5,647.58 million (including Rs. 4,847 million from the promoter group companies and Rs. 800 million from TPG group, (Investors)). 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.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023

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

The Board of Directors have approved preparation of financial statements on a going concern basis considering aforesaid mitigation plans of the management.

2.3 Revenue recognition

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government) and is recorded net of provisions for sales discounts and returns, which are established at the time of sale. Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional. Where the collection of accounts receivable is expected to be after one year from the date of sale, revenues are discounted for the time value of money.

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.

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, 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 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 financial statements are presented in Indian rupees, which is the functional currency of Stelis Biopharma Limited (formerly known as Stelis Biopharma Private Limited). 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 period, 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 period 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. Contracts in which all the risks and rewards of the lease are substantially transferred to the lessee are classified as a finance lease. All other leases are classified as operating leases.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023

Leases, for which the Company is an intermediate lessor, it accounts for the head-lease and sub-lease as two separate contracts. The sub-lease is classified as a finance lease or an operating lease by reference to the RoU asset arising from the head-lease.

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.

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 period 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.

Interest 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 period 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 period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period 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 benefit 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 annual reporting

Notes forming part of the Standalone Financial Statements

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period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period 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 in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period 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'. Curtailment gains and losses are accounted for as past service costs.

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 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 period 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 period 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 period, 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 period, 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 period'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 period.

2.9.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the 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

Notes forming part of the Standalone Financial Statements

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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 period 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 period 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 period.

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 period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include 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 for the year

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

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 period of the asset

Individual assets costing less than ₹ 5,000 are depreciated in full in the year of purchase.

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

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

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straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, 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 period 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 period 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 period, 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.

2.13 Financial instruments

Investment in subsidiaries

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

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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.

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 collaterized 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 period, 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.

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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.

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 period 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 periods 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 Cash Flow Statement

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."

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 financial statements and the reported amounts of income and expenses during the reported period. 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

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023

the end of the reporting period 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

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

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 pre-tax future cash flows attributable to the assets and a pre-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 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.

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 28

3.1.5 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 financial statements remains appropriate. Also see Note 2.2(b).

3.1.6 Leases under Ind AS 116

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period 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 periods 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, 2023, the Company has considered possible effects that may result from geopolitical situation in Russia and Ukraine, in preparation of the 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,

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inventories and other assets. The Company 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 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.

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Note No. 4A - Property, Plant and Equipment

(₹ in Million)

Particulars	Gross block				Accumulated depreciation				Net block	
	As at April 01, 2022	Additions	Disposals	As at Mar 31, 2023	As at April 01, 2022	Depreciation expense for the year	Eliminated on disposal of assets	As at Mar 31, 2023	As at Mar 31, 2023	As at Mar 31, 2022
Leasehold Improvements	1,428.83	12.31	0.25	1,440.89	168.26	86.53	0.24	254.55	1,186.34	1,260.57
	(1,166.80)	*(262.03)*	–	*(1,428.83)*	*(105.93)*	*(62.33)*	–	*(168.26)*	*(1,260.57)*	*(1,060.87)*
Plant and Machinery	11,568.60	401.90	38.18	11,932.32	1,223.00	875.50	25.20	2,073.30	9,859.02	10,345.60
	(5,468.61)	*(6,100.19)*	*(0.20)*	*(11,568.60)*	*(659.49)*	*(563.53)*	*(0.02)*	*(1,223.00)*	*(10,345.60)*	*(4,809.12)*
Office equipments	116.98	7.45	0.22	124.21	50.09	23.66	0.21	73.54	50.67	66.89
	(82.29)	*(34.69)*	–	*(116.98)*	*(32.18)*	*(17.91)*	–	*(50.09)*	*(66.89)*	*(50.11)*
Computers	156.41	12.37	3.81	164.97	55.48	28.33	3.55	80.26	84.71	100.93
	(75.44)	*(80.97)*	–	*(156.41)*	*(33.99)*	*(21.49)*	–	*(55.48)*	*(100.93)*	*(41.45)*
Furniture and fixtures	96.44	17.95	3.47	110.92	15.11	10.99	2.87	23.23	87.69	81.33
	(56.31)	*(40.13)*	–	*(96.44)*	*(7.81)*	*(7.30)*	–	*(15.11)*	*(81.33)*	*(48.50)*
Vehicles	1.72	–	–	1.72	0.43	0.21	–	0.64	1.08	1.29
	(1.72)	–	–	*(1.72)*	*(0.22)*	*(0.21)*	–	*(0.43)*	*(1.29)*	*(1.50)*
Total	13,368.98	**451.98**	**45.93**	**13,775.03**	**1,512.37**	**1,025.22**	**32.07**	**2,505.52**	**11,269.51**	**11,856.61**
Previous year	*(6,851.17)*	***(6,518.01)***	***(0.20)***	***(13,368.98)***	***(839.62)***	***(672.77)***	***(0.02)***	***(1,512.37)***	***(11,856.61)***	***(6,011.55)***

Notes:-

(i) Figures in bracket relates to previous year

(ii) Properties, plant and equipment are pledged as security - towards term loan and working capital borrowings by the Company.

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Notes forming part of the Standalone Financial Statements

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Note No. 4B - Right of Use Assets

(₹ in Million)

	Gross block				Accumulated depreciation				Net block	
Particulars	As at April 01, 2022	Additions	Disposals	As at Mar 31, 2023	As at April 01, 2022	Depreciation expense for the year	Eliminated on disposal of assets	As at Mar 31, 2023	As at Mar 31, 2023	As at Mar 31, 2022
Land	157.35	–	–	157.35	6.45	1.63	–	8.08	149.27	150.90
	(157.35)	–	–	*(157.35)*	*(4.82)*	*(1.63)*	–	*(6.45)*	*(150.90)*	*(152.53)*
Building	321.74	60.97	–	382.71	63.26	71.49	–	134.75	247.96	258.48
	(132.89)	*(188.85)*	–	*(321.74)*	*(2.86)*	*(60.40)*	–	*(63.26)*	*(258.48)*	*(130.03)*
Plant and Machinery	4.31	–	–	4.31	1.60	0.86	–	2.46	1.85	2.71
	(4.31)	–	–	*(4.31)*	*(0.74)*	*(0.86)*	–	*(1.60)*	*(2.71)*	*(3.57)*
Total	483.40	**60.97**	**–**	**544.37**	**71.31**	**73.98**	**–**	**145.29**	**399.08**	**412.09**
Previous year	*(294.55)*	***(188.85)***	**–**	***(483.40)***	***(8.42)***	***(62.89)***	**–**	***(71.31)***	***(412.09)***	***(286.13)***

Notes:-

(i) Figures in bracket relates to previous year

Notes forming part of the Standalone Financial Statements
for the year ended March 31, 2023

Note No. 4C - Capital Work in Progress

(₹ in Million)

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Opening Balance	677.56	776.96
Add: Additions during the year	1,699.67	6,442.21
Less: Capitalised during the year	(464.92)	(6,541.61)
Closing Balance	**1,912.31**	**677.56**

(₹ in Million)

Capital Work in Progress	Amount in CWIP for a period of				As at Mar 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
Projects temporarily suspended	–	–	–	–	–
	1,393.01	**259.79**	**18.90**	**240.61**	**1,912.31**

(₹ in Million)

Capital Work in Progress	Amount in CWIP for a period of				As at Mar 31, 2022
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	417.98	18.97	91.42	149.19	677.56
Projects temporarily suspended	–	–	–	–	–
	417.98	**18.97**	**91.42**	**149.19**	**677.56**

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 Standalone Financial Statements

for the year ended March 31, 2023

Note No. 4D - Other Intangible Assets

(₹ in Million)

Particulars	Gross block				Accumulated depreciation				Net block	
	As at April 01, 2022	Additions	Disposals	As at Mar 31, 2023	As at April 01, 2022	Depreciation expense for the year	Eliminated on disposal of assets	As at Mar 31, 2023	As at Mar 31, 2023	As at Mar 31, 2022
Software licences	62.80	12.94	–	75.74	19.97	13.95	–	33.92	41.82	42.83
	(39.20)	(23.60)	–	(62.80)	(10.73)	(9.24)	–	(19.97)	(42.83)	(28.47)
Marketing and manufacturing rights	–	1,930.72	–	1,930.72	–	27.86	–	27.86	1,902.86	–
	–	–	–	–	–	–	–	–	–	–
Total	62.80	**1,943.66**	**–**	**2,006.46**	**19.97**	**41.81**	**–**	**61.78**	**1,944.68**	**42.83**
Previous year	*(39.20)*	***(23.60)***	**–**	***(62.80)***	***(10.73)***	***(9.24)***	**–**	***(19.97)***	***(42.83)***	***(28.47)***

Notes:-

(i) Figures in bracket relates to previous year

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023

Note No. 4E - Intangible assets under development

(₹ in Million)

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Intangible assets under development	1,432.38	3,719.49
Total	**1,432.38**	**3,719.49**

(₹ in Million)

Intangible assets under development	Amount for a period of				As at Mar 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	-	-	-	-	-
	187.70	**234.10**	**239.69**	**770.89**	**1,432.38**

(₹ in Million)

Intangible assets under development	Amount in Intangible assets under development for a period of				As at Mar 31, 2022
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	673.52	531.31	547.88	1,966.78	3,719.49
Projects temporarily suspended	–	–	–	–	–
	673.52	**531.31**	**547.88**	**1,966.78**	**3,719.49**

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

Note No 4F - Annual Impairment assessment (CDMO 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 ₹ 10,332 Million Mio. as at March 31, 2023 (March 31, 2022: ₹ 10,539). 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 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 22.5% (March 31, 2022: 22%). 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, 2022: 5%) p.a. which is consistent with the industry forecasts for the biosimilar market.

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 17.05% (March 31, 2022: 8.75%)
- Increase in discount rate by 15.05% and nil terminal growth rate (March 31, 2022: 6.92%)

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023

Note No 4G - Annual Impairment assessment (Unit - 3 Multimodal facility):

The Management of the Company have performed impairment assessment of the carrying value of the assets of the Unit - 3 Multimodal facility amounting to Rs. 6,182 Mio. as at (March 31, 2022: Rs. 6,170). 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 Unit 3- Multimodal facility’s expected future cash flows. These estimates and assumptions, primarily include, but are not limited to:

- Generation of revenues in due course from the multimodal facility,
- attainment of profitable operations,
- discount rate and
- terminal growth rate

The expected cash flows used in computation of value in use are based on post tax discount rate of 26% (March 31, 2022: 25%). 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, 2022: 5%) p.a. which is consistent with the industry forecasts for the biosimilar market.

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 12.70% (March 31, 2022: 8.20%)
- Increase in discount rate by 10.50% and nil terminal growth rate (March 31, 2022: 7.70%)

Note No. 5 - Investments

(₹ in Million)

Particulars	As at Mar 31, 2023			As at Mar 31, 2022		
	Qty	Amount		Qty	Amount	
		Current	Non Current		Current	Non Current
Investments in subsidiaries (carried at cost less provision for impairment):						
Equity shares, unquoted						
“Biolexis Pte Ltd , Singapore (formally known as Stelis Pte Ltd)”	45,90,001	–	516.59	45,90,001	–	516.59
Biolexis Private Ltd	10,000	–	0.10	10,000	–	0.10
Less : Provision for Impairment**	–	–	(516.59)	–	–	
Preference shares, unquoted						
Biolexis Pte Ltd [(31-Mar-2023: 50,000) (31-Mar-2022: Nil) Redeemable Preference shares of USD 1 each fully paid up]*	50,000	–	3.72	–	–	–
Less : Provision for Impairment**	–	–	(3.72)			
Total [A]	**46,50,001**	**–**	**0.10**	**46,00,001**	**–**	**516.69**
Investments carried at fair value:						
Mutual Funds, quoted						
SBI overnight fund direct growth	12,333	45.00	–	–	–	–
Total [B]	**12,333**	**45.00**	**–**	**–**	**–**	**–**
Total [A+B]	**46,62,334**	**45.00**	**0.10**	**46,00,001**	**–**	**516.69**
Aggregate amount of quoted investments	12,333	45.00	–	–	–	–
Aggregate amount of market value of investments	12,333	45.00	–	–	–	–
Aggregate amount of unquoted investments	46,50,001	–	0.10	46,00,001	–	516.59

*The Company has converted loan of USD 50,000/- granted to Biolexis Pte Ltd to Redeemable Preference Shares with effect from November 1, 2022 with a face value and issue price of USD 1/- per redeemable preference share

**Based on the impairment assessment carried out by the management of the Company, the investments in Biolexis Pte Ltd, Singapore is impaired during the year and disclosed as exceptional items in the Statement of profit and loss for the year ended March31, 2023.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023

Note No. 6 - Loans

(₹ in Million)

Particulars	As at Mar 31, 2023		As at Mar 31, 2022	
	Current	Non Current	Current	Non Current
Unsecured, Considered good:				
Loans to Related parties (refer note 34)	–	–	–	3.79
Total	**–**	**–**	**–**	**3.79**

Note No. 7 - Security deposits

(₹ in Million)

Particulars	As at Mar 31, 2023		As at Mar 31, 2022	
	Current	Non Current	Current	Non Current
Unsecured, Considered good:				
– Security deposits*	–	100.30	–	110.73
Total	**–**	**100.30**	**–**	**110.73**

* Includes security deposit given to related parties (refer note 34)

Note No. 8 - Other assets

(₹ in Million)

Particulars	As at Mar 31, 2023		As at Mar 31, 2022	
	Current	Non Current	Current	Non Current
Unsecured, considered good:				
– Capital advances	–	112.85	–	1,122.78
– Balances with government authorities				
– VAT/CST refund receivable	–	12.74	–	12.74
– GST credit & other receivable	–	594.15	–	799.08
– TDS receivable	25.29	–	–	58.88
– Advances to vendors	33.13	–	110.92	–
– Advances to employees	1.75	–	2.16	–
– Prepaid expenses	10.36	24.21	308.92	–
Unsecured, considered doubtful:				
– Advances to vendors	144.01	–	–	–
– Less : Allowance for doubtful advances	(144.01)	–	–	–
Total	**70.53**	**743.95**	**422.00**	**1,993.48**

Note No. 9 - Inventories

(₹ in Million)

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Raw materials	731.77	952.85
Work-in-progress	–	476.30
Finished goods	–	570.07
Consumables	658.00	626.23
Less : Provision for Inventory Obsolescence	(58.20)	–
Total	**1,331.57**	**2,625.45**

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 Company had received an order for 50 million doses of the Sputnik light vaccine to be exported to Russia, Iran and other countries. The Company had also received the Government of India's No Objection Certificate (NOC) to export to the said countries.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023

Note No. 9 - Inventories (Cond..)

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. The Company has issued a notice to RDIF and Enso to offtake undelivered vaccines and also pay amount of ₹ 10,498.40 Million towards cost, expenses and damages incurred by the Company.

Due to geopolitical situation between Russia and Ukraine and sanctions on Russia, the Company was not able to liquidate these inventories within its shelf life. Accordingly, the Company has written off Sputnik vaccine inventories and other related balances of ₹ 1,867.37 as exceptional items for the year ended March 31, 2023 (refer note 28).

Note No. 10 - Trade receivables

(₹ in Million)

Particulars	As at Mar 31, 2023		As at Mar 31, 2022	
	Current	Non Current	Current	Non Current
Trade receivables (unsecured) consist of following				
Considered good*	37.37	–	366.01	–
Considered doubtful	140.78	–	–	–
	178.15	**–**	**366.01**	**–**
Allowance for doubtful debts	(140.78)	–	–	–
Total	**37.37**	**–**	**366.01**	**–**

*Includes receivables from related parties (refer note 34)

Movement in allowance for doubtful debts is as follows:

(₹ in Million)

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Opening Balance	–	–
Allowance for doubtful debts	147.56	–
Written off during the year	6.78	–
Closing Balance	**140.78**	**–**

(₹ in Million)

Particulars	Not Due	Outstanding for following periods from due date of payment					As at Mar 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
	22.87	**14.22**	**0.18**	**140.85**	**–**	**0.03**	**178.15**

(₹ in Million)

Particulars	Not Due	Outstanding for following periods from due date of payment					As at Mar 31, 2022
		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	265.12	100.67	0.19	–	0.01	0.02	366.01
(ii) Undisputed Trade Receivables – considered doubtful	–	–	–	–	–	–	–
	265.12	**100.67**	**0.19**	**–**	**0.01**	**0.02**	**366.01**

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023

Note 11A - Cash and cash equivalents

(₹ in Million)

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Cash on hand	0.66	0.57
Balances with banks		
– in current accounts	48.44	1,214.12
Total	**49.10**	**1,214.69**
The balances that meet the definition of cash and cash equivalents as per IndAS 7 Cash flow statement is (including liquid mutual funds of ₹, 45 million)	94.10	1,214.69

Note No. 11B - Other balances with banks

(₹ in Million)

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Balance held as margin money:		
- against borrowing facilities with banks	748.53	479.82
Total	**748.53**	**479.82**

Note No. 12A - Equity Share Capital

(₹ in Million)

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Authorised		
50,000,000 Equity shares of ₹ 1/- each with voting rights	50.00	50.00
(50,000,000 Equity shares of ₹ 1/- each with voting rights as on March 31, 2022)		
	50.00	**50.00**
Issued, subscribed and fully paid up		
40,023,816 Fully paid equity share of ₹ 1/- (39,096,280 Equity shares of ₹ 1/- each with voting rights as on March 31,2022)	40.02	29.90
Issued, subscribed and partly paid up		
1,522,694 Partly paid equity share of ₹ 0.05/- (9,199,470 Partly paid equity share of ₹ 0.05/-)	0.08	0.46
Total	**40.10**	**30.36**

(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 31st Mar 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 31st Mar 2023			
No. of Shares	91,99,470	(76,76,776)	15,22,694
Amount ₹ in Million	0.46	(0.38)	0.08
Year Ended 31 March 2022			
No. of Shares	15,43,309	2,83,53,501	2,98,96,810
Amount ₹ in Million	15.43	14.47	29.90
Partly paid equity shares of ₹ 0.05/- each			
Year Ended 31 Mar 2022			
No. of Shares	–	91,99,470.00	91,99,470.00
Amount ₹ in Million	–	0.46	0.46

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 Standalone Financial Statements

for the year ended March 31, 2023

Note No. 12A - Equity Share Capital (Cond..)

On July 14, 2021, pursuant to the shareholders approval, the Company had made a bonus issue of equity shares in the ratio of 1:2 for all its shareholders. Further, the Company had sub-divided the equity shares in the ratio of 10:1 i.e., sub-dividing the equity shares of face value of ₹ 10/- each into equity shares of face value ₹ 1/- each.

(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 Mar 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 (Formally known as Tenshi Life Sciences Private Ltd)"	40,01,400	19,71,315	59,72,715	-	44,50,021	15,22,694	59,72,715	14.38%	0.00%
Karuna Business Solutions LLP	-	53,88,255	53,88,255	12,25,115	66,13,370	-	66,13,370	15.92%	2.95%

Name of shareholder	No. of shares at the beginning of the year			Change during the year	As at Mar 31, 2022				% 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 (Formally known as Tenshi Life Sciences Private Ltd)"	2,66,760	–	2,66,760	57,05,955	40,01,400	19,71,315	59,72,715	15.28%	14.59%
Karuna Business Solutions LLP	-	–	-	53,88,255	-	53,88,255	53,88,255	13.78%	13.78%

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

(₹ in Million)

Name of shareholder	As at Mar 31, 2023		As at Mar 31, 2022	
	Number of shares	%	Number of shares	%
Strides Pharma Science Limited	1,10,89,320	26.69%	1,10,89,320	28.36%
Tenshi Life Sciences Private Ltd	59,72,715	14.38%	59,72,715	15.28%
Karuna Business Solutions LLP	66,13,370	15.92%	53,88,255	13.78%
Medella Holdings Pte Ltd	64,11,305	15.43%	51,86,190	13.27%
Route One Fund I, L.P	26,87,200	6.47%	26,87,200	6.87%
TIMF Holdings	25,16,700	6.06%	25,16,700	6.44%

Note No. 12B - Other equity

(₹ in Million)

Particulars	Note no.	As at Mar 31, 2023	As at Mar 31, 2022
Reserves and Surplus	A	7,827.04	10,115.98
Total		**7,827.04**	**10,115.98**

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Note No. 12B - Other equity (Cond..)

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(A) Reserves and surplus		
(i) Security premium account		
Opening balance	16,401.78	11,761.24
Add: Premium on equity shares issued during the year	5,637.84	4,650.51
Less: Utilization against issue of bonus shares	–	(9.97)
Closing balance	**22,039.62**	**16,401.78**
(ii) Retained earnings		
Opening balance	(6,285.80)	(3,991.15)
Add: Profit/(Loss) for the year	(7,991.12)	(2,297.40)
Add: Remeasurements of post employment benefit obligations - Recognised as other comprehensive income	4.75	2.75
Closing balance	**(14,272.17)**	**(6,285.80)**
(iii) Share based payment reserve		
Opening balance	–	–
Add: Charge for the year	59.59	–
Less: Transfer to securities premium on account of exercise	–	–
Closing balance	**59.59**	**–**
(iv) Share application money pending allotment		
Opening balance	–	0.02
Add: Addition during the year	–	–
Less: Issue of shares pursuant to exercise of share warrants	–	(0.02)
Closing balance	**–**	**–**
Total Reserves and Surplus (A)	**7,827.04**	**10,115.98**

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.

(d) **Share application money pending allotment :** Share application money pending allotment account represents the share allotment monies received by the company but pending allotment as on the reporting date.

Note No. 13 - Non-current borrowings

(₹ in Million)

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Secured:		
– Term loan from banks (refer note 1 below)	2,848.75	5,972.53
Un-secured:		
– Non convertible debentures	500.00	–
Total	**3,348.75**	**5,972.53**

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023

Note No. 13 - Non-current borrowings (Cond..)

Note 1

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

(₹ in Million)

Terms of repayment and security - Loan 1	As at Mar 31, 2023	As at Mar 31, 2022
Non-current borrowings	434.60	667.11
Current maturities of non-current borrowings	288.77	265.53
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 Ltd. Rate of interest: 3 month LIBOR + 3.65% Repayment to be made over 28 equal quarterly instalments. The outstanding term as at March 31, 2023 are 10 installments. (March 31, 2022: 14 installments) Strides Pharma Science Limited has provided corporate guarantee for the said loan.		

(₹ in Million)

Terms of repayment and security - Loan 2	As at Mar 31, 2023	As at Mar 31, 2022
Non-current borrowings	194.49	304.70
Current maturities of non-current borrowings	110.21	109.61
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 Ltd. Rate of interest: I Base rate + spread of 0.8% Repayment to be made over 28 equal quarterly instalments. The outstanding term as at March 31, 2023 are 11 instalments. (March 31, 2022: 15 installments) Strides Pharma Science Limited has provided corporate guarantee for the said loan.		

(₹ in Million)

Terms of repayment and security - Loan 3	As at Mar 31, 2023	As at Mar 31, 2022
Non-current borrowings	878.97	1,259.85
Current maturities of non-current borrowings	380.60	374.99
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 Repayment to be made over 20 equal quarterly instalments. The outstanding term as at March 31, 2023 are 13 instalments. (March 31, 2022: 17 installments) Strides Pharma Science Limited has provided corporate guarantee for the said loan.		

(₹ in Million)

Terms of repayment and security - Loan 4	As at Mar 31, 2023	As at Mar 31, 2022
Non-current borrowings	–	512.68
Current maturities of non-current borrowings	512.73	2,008.70
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% Repayment to be made over 16 equal monthly instalments. The outstanding term as at March 31, 2023 are 3 instalments. (March 31, 2022: 15 installments) Strides Pharma Science Limited has provided corporate guarantee for the said loan.		

Notes forming part of the Standalone Financial Statements

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Note No. 13 - Non-current borrowings (Cond..)

(₹ in Million)

Terms of repayment and security - Loan 5	As at Mar 31, 2023	As at Mar 31, 2022
Non-current borrowings	52.71	80.21
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: 7.30% and Spread 1%		
Repayment to be made over 48 equal monthly instalments. The outstanding term as at March 31, 2023 are 35 instalments. (March 31, 2022: 47 installments)		

(₹ in Million)

Terms of repayment and security - Loan 6	As at Mar 31, 2023	As at Mar 31, 2022
Non-current borrowings	409.52	680.43
Current maturities of non-current borrowings	270.91	269.40
Security: The said loan was secured by first pari passu charge of movable and immoveable assets of the Company		
Rate of interest: 8.75%		
Repayment to be made over 16 equal quarterly instalments. The outstanding term as at March 31, 2023 are 10 instalments. (March 31, 2022: 14 installments)		
Strides Pharma Science Limited has provided corporate guarantee for the said loan.		

(₹ in Million)

Terms of repayment and security - Loan 7	As at Mar 31, 2023	As at Mar 31, 2022
Non-current borrowings	546.84	2,022.23
Current maturities of non-current borrowings	1,374.78	666.34
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 outstanding term as at March 31, 2023 are 17 instalments. (March 31, 2022: 24 installments)		
Strides Pharma Science Limited has provided corporate guarantee for the said loan.		

(₹ in Million)

Terms of repayment and security - Loan 8	As at Mar 31, 2023	As at Mar 31, 2022
Non-current borrowings	185.79	249.49
Current maturities of non-current borrowings	63.70	5.31
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 Ltd.		
Rate of interest: 9.25%		
Repayment to be made over 48 equal monthly instalments. The outstanding term as at March 31, 2023 are 47 instalments. (March 31, 2022: 48 installments)		

(₹ in Million)

Terms of repayment and security - Loan 9	As at Mar 31, 2023	As at Mar 31, 2022
Non-current borrowings	145.83	195.83
Current maturities of non-current borrowings	50.00	4.17
Security: The said loan was secured by first pari passu charge of movable and immoveable assets of the Company		5,972.53
Rate of interest: 7.25% and Spread 1%		
Repayment to be made over 48 equal monthly instalments.The outstanding term as at March 31, 2023 are 47 instalments. (March 31, 2022: 48 installments)		

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023

Note No. 13 - Non-current borrowings (Cond..)

(₹ in Million)

Terms of repayment and security - Non-convertible debentures(NCD)	As at Mar 31, 2023	As at Mar 31, 2022
Non-current borrowings	500.00	–
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: 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 40th month from the date of allotment		

(₹ in Million)

Loan from Related Party	As at Mar 31, 2023	As at Mar 31, 2022
Loan from Related Party	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.		

(₹ in Million)

Working capital Loan	As at Mar 31, 2023	As at Mar 31, 2022
Working capital loan (refer note 2 below)	983.96	1,838.63
Total Borrowings (refer note 1 below)	**8,366.91**	**11,542.71**

Note -1

(₹ in Million)

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Disclosed under non-current borrowings	3,348.75	5,972.53
Disclosed under current borrowings		
-Current maturities of non-current borrowings	3,079.20	3,731.55
-Working capital loan	983.96	1,838.63
-Loan form related parties	955.00	–
Total	**8,366.91**	**11,542.71**

Note 2:

During the year, the lender had requested the Company vide their letter dated 12 October 2022 to liquidate its working capital facility by 15 November 2022. The Management had exchanged correspondences and discussed with the lenders for extension of time to liquidate working capital facility. The Company has received further communication dated 16 January 2023 from the said lender to liquidate the working capital loan immediately. The Management had further requested the bank to extend the time to liquidate the working capital and no confirmation received from the lender for the same as on the date. However, as on date the Company has already liquidated ₹ 925 million and thus bringing the balance to ₹ 983.96 million as at March 31, 2023.

Note 3

The above loan includes borrowings repayable in USD of ₹ 723.37 Million (including current maturities of ₹ 288.77) on which interest is payable at 3 month Libor plus margin of 3.65% p.a. However, as the Company has taken interest rate swap with the same party from whom the loan is availed, and thereby converting the interest rate on the loan to a specified fixed interest rate of 5.88% p.a. Pursuant to the above arrangement, the Company has accrued interest at the rate of 5.88% p.a. on the said loan.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023

Note No. 14 - Lease liabilities

(₹ in Million)

Particulars	As at Mar 31, 2023		As at Mar 31, 2022	
	Current	Non Current	Current	Non Current
Lease liabilities (refer note 32)	64.14	211.15	54.06	218.14
Total	**64.14**	**211.15**	**54.06**	**218.14**

Note No 15 - Provisions

(₹ in Million)

Particulars	As at Mar 31, 2023		As at Mar 31, 2022	
	Current	Non Current	Current	Non Current
Provision for employee benefits:				
- Gratuity (refer note 31)	2.61	21.50	1.81	21.14
- Compensated absences	33.22	–	31.51	–
Total	**35.83**	**21.50**	**33.32**	**21.14**

Note No. 16 - Current Borrowings

(₹ in Million)

Particulars	As at Mar 31, 2023		As at Mar 31, 2022	
	Current	Non Current	Current	Non Current
Term loan from Banks :				
– Current maturities of non-current borrowings (Refer note 11)	3,079.20	–	3,731.55	–
– Working capital loans	983.96	–	1,838.63	–
Term loan from Others :				
– Loans from related parties (Refer Note 28)	955.00	–	–	–
Total	**5,018.16**	**–**	**5,570.18**	**–**

Note No. 17 - Trade payables

(₹ in Million)

Particulars	As at Mar 31, 2023		As at Mar 31, 2022	
	Current	Non Current	Current	Non Current
– Total outstanding dues of micro enterprises and small enterprises	170.99	–	135.65	–
– Total outstanding dues of creditors other than micro and small enterprises	777.03	–	486.87	–
Total	**948.02**	**–**	**622.52**	**–**

(₹ in Million)

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				As at Mar 31, 2023
			Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
(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
	181.55	**64.59**	**613.11**	**88.07**	**0.07**	**0.63**	**948.02**

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023

Note No. 17 - Trade payables (Cond..)

(₹ in Million)

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				As at Mar 31, 2022
			Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
(i) MSME	–	65.39	70.26	–	–	–	135.65
(ii) Others	119.93	95.97	269.35	0.99	0.07	0.56	486.87
	119.93	**161.36**	**339.61**	**0.99**	**0.07**	**0.56**	**622.52**

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

(₹ in Million)

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
(i) Principal amount remaining unpaid to any suppliers as at the end of the accounting year*	420.99	135.65
(ii) Interest due thereon remaining unpaid to any suppliers as at the end of the accounting year	42.02	0.26
(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	13.47	–
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	60.09	4.60
(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 ₹ 250 million towards capital creditors

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

Note No. 18 - Other financial liabilities

(₹ in Million)

Particulars	As at Mar 31, 2023		As at Mar 31, 2022	
	Current	Non Current	Current	Non Current
– Interest accrued but not due on borrowings	28.07	–	32.20	–
– Interest accrued on delayed payments to MSME vendors	60.09	–	4.60	–
– Creditors for capital supplies/services	1,677.15	–	1,360.22	–
– Payable to related parties (refer note 34)	185.15	–	129.45	–
Total	**1,950.46**	**–**	**1,526.47**	**–**

Note No. 19 - Other liabilities

(₹ in Million)

Particulars	As at Mar 31, 2023		As at Mar 31, 2022	
	Current	Non Current	Current	Non Current
– Advance from customers	541.76	–	190.64	–
– Statutory dues	17.95	–	26.35	–
– Grant from Biotechnology Industry Research Assistance Council	59.55	–	59.55	–
Total	**619.26**	**–**	**276.54**	**–**

Notes forming part of the Standalone Financial Statements
for the year ended March 31, 2023

Note No. 20 - Revenue from operations

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of Material	23.60	28.57
Sale of services	387.14	1,292.70
Total	**410.74**	**1,321.27**

Note No. 20.1 - Disaggregated revenue information

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

Revenues by Geography

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
India	289.71	1,154.33
Rest of the world	121.03	166.94
Total revenues by Geography	**410.74**	**1,321.27**

Geographical revenue is allocated based on the location of the customers

Note No. 20.2 - Changes in contract liabilities:

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year	190.64	45.16
Add: Increase due to invoicing during the year	397.52	158.67
Less: Amount recognised as revenue during the year	(46.40)	(13.19)
Balance at the end of the year	**541.76**	**190.64**

Note No. 20.3 - Contract balances

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Trade receivables*	37.37	366.01
Contract liabilities**	541.76	190.64

* Trade receivables are non-interest bearing.

** Contract liabilities are shown as advance from customers (Refer note 19)

Note No. 21 - Other income

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income on financial assets at amortised cost	30.32	10.44
Interest Income on Tax Refund	2.07	–
Unwinding of discount on security deposit	2.32	1.60
Scrap sales	1.71	0.36
Profit on sale of investments	1.15	16.41
Insurance claim against property, plant and equipment	9.03	–
Gain on sale of property, plant and equipment	–	0.24
Interest income on loan to subsidiaries	0.12	0.05
Others	0.06	29.54
Total	**46.78**	**58.64**

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023

Note No. 22 - Consumables

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening stock	1,579.08	48.94
Add: Purchases	651.28	3,133.54
Less: Closing stock	1,331.57	1,579.08
Total	**898.79**	**1,603.40**
Less: Inventories written-off/provision disclosed as exceptional items (refer note 28)	(543.66)	–
Cost of materials consumed	355.13	1,603.40

Note No. 23 - Changes in inventories of finished goods, work-in-progress and stock-in-trade

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the end of the year		
Work-in-progress	–	476.30
Finished goods	–	570.07
	–	**1,046.37**
Inventories at the beginning of the year		
Work-in-progress	476.30	–
Finished goods	570.07	–
	1,046.37	**–**
Less: Inventories written-off disclosed as exceptional items (refer note 28)	(1,057.77)	
Total	**(11.40)**	**(1,046.37)**

Note No. 24 - Employee benefit expense

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages	672.34	472.56
Contributions to provident and other funds	40.80	28.22
Staff welfare expenses	98.10	68.87
Share based payment expenses (refer note 40)	59.59	–
Total	**870.83**	**569.65**

Note No. 25 - Finance cost

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on borrowings (including exchange differences regarded as an adjustment to borrowing costs)	1,019.08	569.86
Less : Amount included in the cost of qualifying assets	(30.35)	(51.13)
	988.73	**518.73**
Interest expense on loan from related party	2.91	–
Interest on lease liability	27.22	25.57
Other borrowing cost - Guarantee commission, Bank charges etc	133.28	134.83
Interest on delayed payment to MSME vendors	55.49	1.07
Total	**1,207.63**	**680.20**

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023

Note No. 26 - Depreciation and amortisation expenses

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on Property, plant and equipment (Refer Note 4A)	1,025.22	672.77
Depreciation on Right to use assets (Refer Note 4B)	73.98	62.89
Less: Amounts included in the cost of assets	–	(41.41)
Amortisation on Intangible assets (Refer Note 4D)	41.81	9.24
Total	**1,141.01**	**703.49**

Note No. 27 - Other Expenses

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Power & Fuel	289.72	256.51
Rates and taxes	16.92	28.84
Rent	13.90	10.97
Insurance	52.22	32.21
Repairs and maintenance:		
– Machinery	43.07	56.21
– Others	104.26	132.60
Manpower service	64.40	44.60
Housekeeping service	86.67	63.16
Freight and forwarding	87.56	35.40
Business promotion	10.47	2.45
Travelling and conveyance	11.67	5.15
Exchange fluctuation loss (net)	215.87	108.87
Printing and stationery	9.72	12.71
Communication	9.25	11.93
Security Charges	19.34	13.11
Office expense	2.67	2.38
Write-off of Property, Plant and Equipment	7.11	–
Loss on sale of asset	–	0.18
Boarding and lodging	10.71	13.79
Support service charges	127.94	139.72
Legal and professional fees	196.77	126.41
Auditors remuneration (refer note (i) below)	3.86	3.86
Investment written off	–	15.15
Regulatory charges	3.27	2.58
Gardening Charges	2.61	4.44
Water Charges	7.08	10.28
Gas Charges	22.17	22.04
Advance written off	5.42	0.60
Miscellaneous expenses	9.29	10.79
Total	**1,433.94**	**1,166.94**

Note

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

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Audit of standalone and consolidated financial statements (including quarterly limited reviews)	3.75	3.75
Reimbursement of expenses	0.11	0.11
Total	**3.86**	**3.86**

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023

Note No. 28 - Exceptional items gain / (loss) (net)

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Write-off related to Inventories and other related balances of Sputnik Light vaccines (refer note (i) below)	1,867.37	–
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 of investments in subsidiary (refer note 5)	520.31	–
Provision for Bad & Doubtful debts (refer note (iv) below)	140.78	
Total	**3,451.50**	**–**

Note (i) :

Due to geopolitical situation between Russia and Ukraine and sanctions on Russia, the Company was not able to liquidate these inventories within its shelf life. Accordingly, the Company has written off Sputnik vaccine inventories and other related balances of ₹ 1,867.37 as exceptional items for the year ended March 31, 2023 (refer note 9)."

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 current 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 has 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 (refer note 4F), 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 year, the management has made a provision for expected credit loss towards receivables from subsidiary amounting to 140.78 million. (refer note 10)"

Note No. 29 - Details of Research and Development expenditure incurred

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Research & development expenses including capital expenditure:		
Material and third party outsourcing cost	29.89	425.22
Labour	147.48	176.82
Finance Cost	30.35	51.13
Overheads	108.41	20.36
Total	**316.13**	**673.53**

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023

Note No. 30 - Contingent Liabilities and Capital Commitments (To the extent not provided for)

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances):		
– Property, Plant and equipment	490.06	1,502.36
Total	**490.06**	**1,502.36**

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Claims not acknowledged as debts by the Company	233.14	–
Total	**233.14**	**–**

(a) The Company has received claim from vendor amounting to ₹ 227.62 million towards pending take off of Sputnik related inventories by the Company. The Company has counter claimed for failure to supply and breaches under the collaboration agreement towards procuring equipment and consumables, which are unusable.

(b) The Company has received claim from vendor amounting to ₹ 30.75 million towards pending payments against the purchase of materials from the vendor. The Company has accepted the claim to extent of ₹25.23 million has sought time to pay the balance. Remaining amount of ₹ 5.52 million has not been acknowledged as debt by the company.

Note No. 31 - 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. The Company recognised ₹ 30.56 Million (previous year: ₹ 20.49 Million) 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	
	31-Mar-23	31-Mar-22
Discount rate(s)	7.30%	6.41%
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 Standalone Financial Statements

for the year ended March 31, 2023

Note No. 31 - Employee Benefits Plans (Cond..)

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, 2023	As at March 31, 2022
Service cost:		
Current service cost	8.83	6.59
Net interest expense	1.41	1.14
Components of defined benefit costs recognised in statement of profit and loss	**10.24**	**7.73**
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in demographic assumptions	–	–
Actuarial (gains) / losses arising from changes in financial assumptions	(1.12)	(2.98)
Actuarial (gains) / losses arising from experience adjustments	(3.63)	0.23
Components of defined benefit costs recognised in other comprehensive income	**(4.75)**	**(2.75)**
Total	**5.49**	**4.98**

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 remeasurernent of the net defined benefit liability is included in other comprehensive income.

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, 2023	As at March 31, 2022
Present value of funded defined benefit obligation	24.11	22.95
Fair value of plan assets	–	–
Funded status	24.11	22.95
Restrictions on asset recognised	–	–
Net liability arising from defined benefit obligation	**24.11**	**22.95**

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

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening defined benefit obligation	22.95	18.42
Add: Acquisition / (disposal)	–	0.49
Expenses Recognised in statement of profit and loss		
Current service cost	8.83	6.59
Past service cost and (gain)/loss from settlements	–	–
Interest cost	1.41	1.14
Remeasurement (gains)/losses		
Actuarial (gains) / losses arising from changes in demographic assumptions	–	–
Actuarial (gains) / losses arising from changes in financial assumptions	(1.12)	(2.98)
Actuarial (gains) / losses arising from experience adjustments	(3.63)	0.23
Benefits paid	(4.33)	(0.94)
Closing defined benefit obligation	**24.11**	**22.95**

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.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023

Note No. 31 - Employee Benefits Plans (Cond..)

(₹ in Million)

Principal assumption		Changes in assumption	Gratuity: Impact on defined benefit obligation — Increase in assumption	Gratuity: Impact on defined benefit obligation — Decrease in assumption
Discount rate	2023	100bps	(1.15)	1.27
	2022	100bps	(1.20)	1.31
Salary growth rate	2023	100bps	1.14	(1.07)
	2022	100bps	1.16	(1.12)

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	2.61
Year 2	3.10
Year 3	3.16
Year 4	4.00
Year 5	3.40
Years 6 to 10	12.45

Note No. 32 - 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	31-Mar-23	31-Mar-22
Opening balance	272.20	108.04
Additions	60.97	188.85
Interest	27.22	25.57
Lease payments	(85.10)	(50.26)
Closing balance	**275.29**	**272.20**
Current	64.14	54.06
Non-current	211.15	218.14

(₹ in Million)

Maturity analysis of OLL	31-Mar-23			31-Mar-22		
	1 year	1 to 5 years	More than 5 years	1 year	1 to 5 years	More than 5 years
Factory Building	64.14	204.52	–	54.06	213.10	–
Plant and Machinery	–	6.63	–	–	5.04	–

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).

Notes forming part of the Standalone Financial Statements
for the year ended March 31, 2023

Note No. 33 - Earnings per Share

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit / (Loss) after tax attributable to equity holders of the Company (A) (₹ in Million)	(7,991.12)	(2,297.40)
Weighted average number of equity shares used as denominator in calculating basic earnings per share (B)	3,98,18,561	3,54,26,071
Weighted average number of equity shares used as denominator in calculating diluted earnings per share (C)	3,98,18,561	3,54,26,071
Basic earnings per share (₹) (A/B)	(200.69)	(64.85)
Diluted earnings per share (₹) (A/C)	(200.69)	(64.85)

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

Note No. 34 - 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	Biolexis Pte Ltd (formally known as Stelis Pte Ltd)
	Biolexis Private Limited
Enterprises owned or significantly influenced by directors, key management personnel and their relatives:	Arcolab Private Limited
	Tenshi Pharmaceuticals Private Limited
	Tenshi Kaizen Private Limited
	Naari Pharma Private Limited
	Chayadeep Properties Private Limited
	Steriscience Specialities Private Limited
	Biolexis Holding Pte
	Steriscience Pte Ltd.
	Skanray Healthcare Private Limited
	Solara Active Pharma Sciences Limited
	Strides Pharma Inc
	Strides Pharma Science Pty Limited
	Strides Pharma UK Ltd
	Strides Pharma (Cyprus) Limited
	Karuna Business Solutions LLP
	Karuna Healthcare Private Limited
	Strides Pharma Global Pte Ltd
Key Management Personnel – Chairman and Non - Executive Director	Aditya Puri (upto Mar 29th, 2023)
Key Management Personnel – Non - Executive Director	Arun Kumar Pillai
Key Management Personnel – CFO & Executive Director	Kannan Radhakrishnan Pudhucode
Key Management Personnel – Non - Executive Director	Ankur Nand Thadani
Key Management Personnel – Non - Executive Director	Mahadevan Narayanamoni
Key Management Personnel – Independent Director	A K Viswanathan (upto Mar 29th, 2023)
Key Management Personnel – Independent Director	Gopakumar Gopalan Nair (w.e.f May 04th, 2023)
Key Management Personnel – Independent Director	Rajashri Ojha (w.e.f May 04th, 2023)
Key Management Personnel – Non - Executive Director	Deepak Vaidya (upto July 7, 2021)
Key Management Personnel – Non - Executive Director	PM Thampi (upto April 7, 2021)
Key Management Personnel – Independent Director	Vineeta Rai (upto Mar 14th, 2023)
Key Management Personnel – CEO	Mark Womack (upto Jan 24, 2022)
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, 2023

Note No. 34 - Related Party Listing and Balances: (Cond..)

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		Subsidiary		Key Managerial Personnel	
	Year ended 31-Mar-23	Year ended 31-Mar-22	Year ended 31-Mar-23	Year ended 31-Mar-22	Year ended 31-Mar-23	Year ended 31-Mar-22	Year ended 31-Mar-23	Year ended 31-Mar-22
Revenue from operations								
Sale of Material								
Strides Pharma Science Limited	0.14	–	–	–	–	–	–	–
Biolexis. Ltd	–	–	–	–	–	128.42	–	–
Sale of services								
Strides Pharma Science Limited	5.46	46.03	–	–	–	–	–	–
Steriscience Pte Limited	–	–	5.85	90.69	–	–	–	–
Sale of services - Passthough								
Steriscience Pte Limited	–	–	32.54	21.82	–	–	–	–
Steriscience Specialties Private Ltd	–	–	15.81	85.57	–	–	–	–
Interest Income								
Biolexis Pte Ltd	–	–	–	–	0.12	0.05	–	–
Guarantee Commission considered as borrowing cost								
Strides Pharma Science Ltd	59.49	52.18	–	–	–	–	–	–
Support Service charges								
Strides Pharma Science Limited	–	2.10	–	–	–	–	–	–
Tenshi Life Sciences Private Ltd	8.01	12.00	–	–	–	–	–	–
Arcolab Private Ltd	–	–	130.06	81.44	–	–	–	–
Rental expenses								
Arcolab Private Limited	–	–	0.09	0.01	–	–	–	–
Chayadeep Properties Private Ltd	–	–	5.89	–	–	–	–	–
Purchase of Material								
Strides Pharma Science Limited	–	0.01	–	–	–	–	–	–
Steriscience Specialties Private Ltd	–	–	0.61	–	–	–	–	–
Solara Active Pharma Sciences Limited	–	–	0.49	1.81	–	–	–	–
Advance given / (repaid)								
Chayadeep Properties Private Ltd	–	–	103.50	–	–	–	–	–
Chayadeep Properties Private Ltd	–	–	(103.50)	–	–	–	–	–
Advance taken / (repaid)								
Strides Pharma Science Limited	–	–	25.00	–	–	–	–	–
Strides Pharma Science Limited	–	–	(25.00)	–	–	–	–	–
Arcolab Private Limited	–	–	95.00	–	–	–	–	–
Arcolab Private Limited	–	–	(95.00)	–	–	–	–	–
Loans taken/(repaid)								
Arcolab Private Limited	–	–	36.00	–	–	–	–	–
Arcolab Private Limited	–	–	(36.00)	–	–	–	–	–
Tenshi Pharmaceuticals Private Limited	975.00							
Tenshi Pharmaceuticals Private Limited	(20.00)							
Loan given								
Biolexis Pte Ltd	–	–	–	–	–	3.79	–	–
Conversion of Loan to Redeemable Prefernace share								
Biolexis Pte Ltd	–	–	–	–	3.72	–	–	–
Product Development Cost								
Tenshi Kaizen Private Ltd	–	–	–	31.40	–	–	–	–
Interest expense on loan taken/ (repaid)								
Arcolab Private Limited	–	–	0.42	–	–	–	–	–
Tenshi Pharmaceuticals Private Limited	2.49	–	–	–	–	–	–	–

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023

Note No. 34 - Related Party Listing and Balances: (Cond..)

(₹ in Million)

Nature of Balances	Entities having significant influence over Company		Other related parties		Subsidiary		Key Managerial Personnel	
	Year ended 31-Mar-23	Year ended 31-Mar-22	Year ended 31-Mar-23	Year ended 31-Mar-22	Year ended 31-Mar-23	Year ended 31-Mar-22	Year ended 31-Mar-23	Year ended 31-Mar-22
Equity/Preference shares contribution to the Company (including securities premium)								
Strides Pharma Science Ltd	–	–	–	–	–	–	–	–
Tenshi Life Sciences Private Ltd	236.54	54.70	–	–	–	–	–	–
Arcolab Private Limited	–	–	970.09	–	–	–	–	–
Medella Holdings Pte Ltd	800.00	–	–	–	–	–	–	–
Karuna Business Solutions LLP	–	–	3,640.96	149.52	–	–	–	–
Reimbursement of expenses								
Strides Pharma Science Ltd	10.61	4.03	–	–	–	–	–	–
Tenshi Kaizen Private Limited	–	–	–	1.78	–	–	–	–
Tenshi Life Sciences Private Ltd	6.15	7.26	–	–	–	–	–	–
Naari Pharma Private Limited	–	–	–	0.01	–	–	–	–
Arcolab Private Ltd	–	–	4.18	0.89	–	–	–	–
Biolexis Pte Ltd	–	–	–	–	0.80	–	–	–
Strides Pharma Inc	–	–	33.21	7.60	–	–	–	–
Strides Pharma Science Pty Limited	–	–	9.21	–	–	–	–	–
Strides Pharma Uk Ltd	–	–	8.27	–	–	–	–	–
Strides Pharma (Cyprus) Limited	–	–	4.24	–	–	–	–	–
Steriscience Specialties Private Limited	–	–	–	8.92	–	–	–	–
Investments In Subsidiaries								
Stelis Biopharma LLC	–	–	–	–	–	(15.34)	–	–
Biolexis Private Ltd	–	–	–	–	–	0.10	–	
Provision for Impairment - Investments In Subsidiaries								
Biolexis Pte Limited	–	–	–	–	(516.59)	–	–	–
Security Deposits								
Arcolab Private Limited	–	–	0.09	–	–	–	–	–
Chayadeep Properties Private Ltd	–	–	4.42	–	–	–	–	–
Purchase of property, plant and equipment								
Strides Pharma Science Limited	0.97	–	–	–	–	–	–	–
Arcolab Private Limited	–	–	0.06	–	–	–	–	–
Sales of Asset								
Steriscience Specialties Private Limited	–	–	–	5.14	–	–	–	–
Employee cost:								
Mark Womack	–	–	–	–	–	–	–	12.52
Kannan Radhakrishnan Pudhucode	–	–	–	–	–	–	22.48	14.68
Puja Aggarwal	–	–	–	–	–	–	3.68	2.04
Allada Trisha	–	–	–	–	–	–	1.10	–
Sitting fees paid to directors								
Deepak Vaidya	–	–	–	–	–	–	–	0.90
P. M Thampi	–	–	–	–	–	–	–	0.30
Aditya Puri	–	–	–	–	–	–	1.20	2.10
Vineeta Rai	–	–	–	–	–	–	1.60	1.30
Viswanathan AK	–	–	–	–	–	–	1.60	0.30

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023

Note No. 34 - Related Party Listing and Balances: (Cond..)

Closing Balance as on 31st Mar 20203

(₹ in Million)

Nature of Balances	Entities having significant influence over Company		Other related parties		Subsidiary		Key Managerial Personnel	
	Year ended 31-Mar-23	Year ended 31-Mar-22	Year ended 31-Mar-23	Year ended 31-Mar-22	Year ended 31-Mar-23	Year ended 31-Mar-22	Year ended 31-Mar-23	Year ended 31-Mar-22
Other Payables								
Strides Pharma Science Ltd	52.20	12.85	–	–	–	–	–	–
Tenshi Life Sciences Private Ltd	7.66	15.45	–	–	–	–	–	–
Arcolab Private Ltd	–	–	65.21	21.38	–	–	–	–
Chayadeep Properties Private Ltd	–	–	0.53	–	–	–	–	–
Strides Pharma Inc	–	–	41.38	7.52	–	–	–	–
Steriscience Specialties Private Ltd	–	–	3.35	10.52	–	–	–	–
Steriscience Pte Limited	–	–	–	60.53	–	–	–	–
Strides Pharma Science Pty Limited	–	–	9.21	–	–	–	–	–
Strides Pharma Uk Ltd	–	–	1.26	–	–	–	–	–
Strides Pharma (Cyprus) Limited	–	–	4.24	–	–	–	–	–
Solara Active Pharma Sciences Limited	–	–	0.24	–	–	–	–	–
Investments (refer note 5)								
Biolexis Pte Ltd	–	–	–	–	–	516.59	–	–
Biolexis Private Ltd	–	–	–	–	0.10	0.10	–	–
Security Deposits								
Arcolab Private Limited	–	–	0.09	–	–	–	–	–
Chayadeep Properties Private Ltd	–	–	4.42	–	–	–	–	–
Loan given								
Biolexis Pte Ltd	–	–	–	–	–	3.81	–	–
Loan payable								
Tenshi Pharmaceuticals Private Limited	955.00	–	–	–	–	–	–	–
Trade receivable								
Biolexis Pte Ltd	–	–	–	–	–	128.21	–	–
Strides Pharma Science Limited	0.17	–	–	–	–	–	–	–
Steriscience Pte Limited	–	–	0.17	–	–	–	–	–
Steriscience Specialties Private Ltd	–	–	2.35	106.97	–	–	–	–
Advance from customers								
Steriscience Specialties Private Ltd	–	–	–	12.28	–	–	–	–

Note No. 35 - Financial instruments

35.1 Categories of financial instruments

(₹ in Million)

Particulars	As at 31 March, 202	As at 31 March, 2022
Financial assets:		
Measured at amortised cost		
(a) Trade receivables	37.37	366.01
(b) Cash and bank balances	797.63	1,694.51
(c) Other financial assets at amortised cost	100.30	110.73
Measured at Fair Value		
(a) Investments	45.00	–
Financial liabilities:		
Measured at amortised cost		
(a) Borrowings	3,348.75	5,972.53
(b) Current maturities of non-current borrowings	5,018.16	5,570.18
(c) Lease Liabilities	275.29	272.20
(d) Trade payables	948.02	622.52
(e) Other financial liabilities	1,950.46	1,526.47

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023

Note No. 35 - Financial instruments (Cond..)

35.2 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).

35.2.1 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 Mar 31, 2023		As at Mar 31, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities:				
Borrowings	8,366.91	8,426.95	11,542.71	11,699.45

35.3 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:

35.3.1 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 Mar 31, 2023		As at Mar 31, 2022	
Exposure to the Currency	In foreign Currency	In INR	In foreign Currency	In INR
USD	(28.01)	(2,302.68)	(23.20)	(1,749.35)
EUR	(0.80)	(71.87)	6.20	541.55
GBP	(0.12)	(12.17)	(0.02)	(2.29)
SGD	(0.05)	(2.94)	(0.04)	(2.35)
AED	0.00	0.04	0.00	0.01
CHF	(0.02)	(1.58)	(0.02)	(1.45)
RUB	(1.29)	(1.29)	(0.05)	(0.05)

Foreign currencies are in millions

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023

Note No. 35 - Financial instruments (Cond..)

35.3.2 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	
	31-Mar-23	31-Mar-22
Appreciation in the USD	(115.13)	(87.47)
Depreciation in the USD	115.13	87.47
Appreciation in the EUR	(3.59)	27.08
Depreciation in the EUR	3.59	(27.08)

The impact on profit has been arrived at by applying the effects of appreciation / deprecation 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, 2023

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.

35.3.3 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 31 March, 2023	As at 31 March, 2022
Fixed-rate instruments		
Financial assets		
Balance with banks held as margin money	748.53	479.82
	748.53	**479.82**
Variable-rate instruments		
Financial liabilities		
Borrowings from bank	8,366.91	11,542.71
	8,366.91	**11,542.71**

Interest rate swap contracts

The Company is exposed to interest rate risk on financial liabilities such as borrowings, both short-term and long-term. Such interest rate risk is actively evaluated and interest rate swap is taken whenever considered necessary

Under interest rate swap contracts, the Company agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Company to mitigate the risk of cash flow exposures on the variable rate borrowings. The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is the local interbank rate in the currency of the loan. The Company will settle the difference between the fixed and floating interest rate on a net basis.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023

Note No. 35 - Financial instruments (Cond..)

35.4 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.

35.5 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.

35.5.1 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 `. 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.

(₹ in Million)

Financial Liabilities	Due within (years)						Total	Carrying Amount
	1	1 to 2	2 to 3	3 to 4	4 to 5	beyond 5		
Bank & other borrowings								
- As on March 31, 2023	5,552.26	1,765.36	905.10	204.23	–	–	8,426.95	8,366.91
- As on March 31, 2022	5,667.86	3,062.73	1,870.96	893.67	204.23	–	11,699.45	11,542.71
Interest payable on borrowings								
- As on March 31, 2023	28.07	–	–	–	–	–	28.07	28.07
- As on March 31, 2022	32.20	–	–	–	–	–	32.20	32.20
Lease Liabilities								
- As on March 31, 2023	85.82	98.80	98.09	7.43	7.88	58.27	356.29	275.29
- As on March 31, 2022	74.74	78.48	93.28	91.07	–	–	337.57	272.20
Trade and other payable								
- As on March 31, 2023	2,870.41	–	–	–	–	–	2,870.41	2,870.41
- As on March 31, 2022	2,116.79	–	–	–	–	–	2,116.79	2,116.79

Note No. 36 - Deferred tax asset :

The Company has brought forward tax loss and unabsorbed depreciation of ₹ 10,384.81 million (₹7,216.61 million March 31, 2022) as per latest Income tax return filed and 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 fixed assets and the written down value of such fixed assets under Income Tax. 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, 2023.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023

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 (Contract Development & Manufacturing Organization) and "Unit 3 : Multimodal facility".

(i) Revenue from operations

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Unit 1 - R&D and Unit 2 : CDMO-1	23.60	28.57
Unit 3 : Vaccine facility and CDMO - 2	387.14	1,292.70
Total	**410.74**	**1,321.27**

(ii) Non-current assets*

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Unit 1 - R&D and Unit 2 : CDMO	10,145.62	10,538.94
Unit 3 : Multimodal facility	6,812.34	6,169.64
Unallocated Assets	743.95	1,993.48
Total	**17,701.91**	**18,702.06**

*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, 2023	For the year ended March 31, 2022
India	312.35	1,154.33
Outside India	98.39	166.94
Total	**410.74**	**1,321.27**

(ii) Non-current assets*

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
India	17,701.91	18,702.06
Total	**17,701.91**	**18,702.06**

*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.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023

Note No. 39 - Other Statutory Information

(a) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property

(b) The Company does not have any transactions with companies struck off.

(c) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(d) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(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:

(i) 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

(ii) 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:

(i) 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

(ii) 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.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023

Note No. 40 - Details of the employee share option plan of the Company: (Cond..)

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

Grant Date	7-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)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Outstanding at the beginning of the year	–	–
Granted during the year	6,14,900	–
Lapsed/forfeited during the year	1,15,100	–
Vested during the year	–	–
Exercised during the year	–	–
Outstanding at end of the year	**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	7-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%

Note No. 41

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.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023

Note No. 42 - Amendments effective from April 1, 2023 :

"On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to the Company from April 1, 2023.

i. Ind AS 101 – First time adoption of Ind AS

ii. Ind AS 102 – Share-based payment

iii. Ind AS 103 – Business Combinations

iv. Ind AS 107 – Financial Instruments: Disclosures

v. Ind AS 109 – Financial Instruments

vi. Ind AS 115 – Revenue from Contracts with Customers

vii. Ind AS 1 – Presentation of Financial Statements

viii. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

ix. Ind AS 12 – Income Taxes

x. Ind AS 34 – Interim Financial Reporting

The Company is in the process of evaluating the impact of the above amendments on the Company's financial statements. "

Note No. 43 - Ratio Analysis

	As at March 31, 2023	As at March 31, 2022	Change	Ratios have a variance of >25% due to
Current Ratio - in times (A) / (B)	**0.26**	**0.63**	**-58%**	Reduction is due to provisioning of Inventory related to Unit 3
Current Assets (A)	2,282.10	5,107.97		
Current Liabilities (B)	8,635.87	8,083.09		
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				
Debt-Equity Ratio - in times (C) / (D)	**1.10**	**1.16**	**-6%**	Variance <25% and hence not applicable
Debt including lease liabilities(C)	8,642.20	11,814.91		
Equity (D)	7,867.14	10,146.34		
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.				
Debt Service Coverage Ratio - in times (E) / ((F) + (G))				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 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 year				
Interest payments is defined as actual interest paid on borrowings and lease liability during the year				

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023

Note No. 43 - Ratio Analysis (Cond..)

	As at March 31, 2023	As at March 31, 2022	Change	Ratios have a variance of >25% due to
Return on Equity ratio (H) / (I)	**-101.58%**	**-22.64%**	**349%**	Increase in loss due to exceptional items loss towards provision on sputnik Inventory, intangible under development, doubtful advance and others
Net profit (H)	(7,991.12)	(2,297.40)		
Equity (I)	7,867.14	10,146.34		
Net profit is defined as Profit for the year after tax				
Equity is defined as Equity share capital and Other equity.				
Inventory turnover ratio (K) / (L)	**0.12**	**0.42**	**-70%**	Decrease is due to written-off Inventory related to Sputnik vaccine and reduction in CDMO revenue.
Cost of goods sold (K)	246.22	557.03		
Average Inventory (L)	1,978.51	1,337.20		
Cost of goods sold is defined as Cost of materials consumed, Purchases of stock-in-trade and Changes in inventories of finished goods and work-in-progress				
Average Inventory is defined as average of inventories as at the beginning and as at the end of the year.				
Trade receivables turnover ratio (M) / (N)	**2.04**	**6.80**	**-70%**	Decrease is due to reduction in CDMO revenue from FY22.
Revenue from operations (M)	410.74	1,321.27		
Average Trade receivables (N)	201.69	194.22		
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 year.				
Trade payables turnover ratio (O) / (P)	**0.31**	**1.06**	**-70%**	Decrease is due to decrease in Unit-3 sputnik vaccine related inventories and decrease in the CDMO business.
Cost of goods sold (O)	246.22	557.03		
Average Trade payables (P)	785.27	525.77		
Cost of goods sold is defined as Cost of materials consumed, Purchases of stock-in-trade and Changes in inventories of finished goods and work-in-progress				
Average Trade payables is defined as average of Trade payables as at the beginning and as at the end of the year.				
Net capital turnover ratio (Q) / (R)	**(0.06)**	**(0.44)**	**-85%**	Decrease is due to reduction in CDMO revenue from FY22.
Sales Turnover (Q)	410.74	1,321.27		
Working Capital (R)	(6,353.77)	(2,975.12)		
Net profit ratio (S) / (T)	**-1746.62%**	**-166.49%**	**949%**	Decrease is due to reduction in CDMO revenue in comparison with FY22 and increase in exceptional losses.
Net profit (S)	(7,991.12)	(2,297.40)		
Gross Revenue (T)	457.52	1,379.91		
Return on capital employed (U) / (V)	**-40.90%**	**-7.32%**	**459%**	Increase in loss due to exceptional items loss towards provision on sputnik Inventory, intangible under development, doubtful advance and others
Earnings Before Interest and Taxes (U)	(6,753.05)	(1,606.71)		
Capital Employed (V)	16,509.34	21,961.25		

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2023

Note No. 44

The previous year's figures have been re-grouped/reclassified, where necessary to confirm to current year's classification.

Note No. 45 - Approval of financial statements

The Company's standalone financial statements are approved for issue by the board of directors on July 28, 2023.

For and on behalf of Board of Directors

P R Kannan
CFO & Executive Director
DIN : 03435209

Arun Kumar
Non- Executive Director
DIN: 00084845

Allada Trisha
Company Secretary
Membership Number: A47635

Place : Bengaluru
Date : July 28, 2023

Independent Auditor's Report

To
The Members of
Stelis Biopharma Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Stelis Biopharma Limited "the Parent" and its subsidiaries, (Parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, 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 specified under section 143 (10) of the Act (SAs). 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 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl. No.	Key Audit Matter	Auditors response
1	**Going concern assessment** The Group has recorded a loss amounting to 7,998.30 million for the year ended March 31, 2023. 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 Group. The Group evaluated its ability to continue as a going concern based upon an assessment of the following: - monetizing the value of the intangibles/intangibles under development by way of obtaining marketing rights from regulatory authorities and licensing them; - generating increased revenues from CDMO operations; - divestment of one of the Multimodal facility to Syngene International Limited on a slump sale basis;	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: • 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; • Compared the forecasted cash flows with the Company's business plan approved by the board of directors; • 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;

Sl. No.	Key Audit Matter	Auditors response
	- infusion of capital by current shareholders to the extent of partly paid shares; - continuing financial support from promoter shareholders. This required the exercise of significant judgement, particularly in forecasting the Group's ability to meet all its obligations as on 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. 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. Considering the significance of the area to the overall consolidated financial statements this was significant for our audit.	• Performing a retrospective review to assess the reasonableness of Company's past projections by comparing historical forecasts to actual results; • 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 refinancing agreements (as may be required) and non-binding agreement with one of the potential customer for divestment of one of the manufacturing facilities;; • Assessing the pending infusion by the current shareholders towards partly paid-up shares and financial support from the promoters and a promoter group company; • Performing sensitivity analysis on the forecasted cash flows by considering plausible changes to the key assumptions adopted by the Company; • Assessing the adequacy of the disclosures related to application of the going concern assumption.
2	**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 March 31, 2023:** 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) as at March 31, 2023. 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. 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: • 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,	**Our principal audit procedures performed, among other procedures included:** • We obtained an understanding of the Management's process for impairment assessment of the carrying value of assets of the CGU. • Evaluated the design and implementation of the relevant controls and carried out testing of the management's control around the impairment assessment. • 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. • Evaluated the competence of the management's expert and the key assumptions considered in the management's estimates of future cash flows. • 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.

Sl. No.	Key Audit Matter	Auditors response
	• attainment of profitable operations, • discount rate • probabilities applied to the revenues which also factors management's best estimate of possible delay in product development cycle and regulatory approvals.	• 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. • 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. • 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. • We tested the arithmetical accuracy of the computations. • 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.
3	**Impairment assessment in respect of carrying value of the assets relating to Unit 3 – Multimodal facility) as at March 31, 2023:** As stated in note 4G of the consolidated financial statements and for the reasons stated in the said note which includes the geopolitical conflict between Russia and Ukraine and the subsequent sanctions enforced on Russia, the management of the Company has assessed the impairment of carrying value of assets relating to Unit 3 - Multimodal facility as at March 31, 2023. The Management has involved external specialist to carry out impairment assessment. The evaluation requires a comparison of the estimated recoverable value of the CGU to the carrying value of the assets in the CGU. 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: • Generation of revenues in due course from the multimodal facility, • attainment of profitable operations, • discount rate • terminal growth rate	**Our principal audit procedures performed, among other procedures included:** • We obtained an understanding of the Management's process for impairment assessment of the carrying value of assets of the CGU. • Evaluated the design and implementation of the relevant controls and carried out testing of the management's control around the impairment assessment. • 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. • Evaluated the competence of the management's expert and the key assumptions considered in the management's estimates of future cash flows. • 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.

Sl. No.	Key Audit Matter	Auditors response
		• 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 discount rate applied to the future cash flows and terminal growth rate. • 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. • We tested the arithmetical accuracy of the computations. • 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.

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

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Board 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 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 Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective 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 intends 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 control 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 control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs. 2.94 as at March 31, 2023, total revenues of Rs. 0.04 and net cash outflows amounting to Rs. 2.21 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 matters 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 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 of the aforesaid consolidated financial statements.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books .

c) The 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 and subsidiary company incorporated in India, as on March 31, 2023 taken on record by the Board of Directors of the Group, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

f) 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.

g) 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 its directors during the year is in accordance with the provisions of section 197 of the Act.

h) 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 Group has disclosed the impact of pending litigations on its financial position in note 29 of its consolidated financial statements;

ii. The Group 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 respective Managements of the Parent Company and its subsidiary companies which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us 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 subsidiary 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 Company or any of such subsidiary (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Parent Company and its subsidiary, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, as disclosed in the note 38 to the consolidated financial statements, no funds have been received by the Parent Company or any of such subsidiary, from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Parent Company or any of such subsidiary, 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 that has been considered reasonable and appropriate in the circumstances, performed by us, nothing has come to our notice that causes 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 Parent Company and its subsidiaries has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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, according to the information and explanations given to us, and based on the audit report under section 143 issued by us, we report that CARO is applicable only to the Parent Company and not to any other company included in the consolidated financial statements. 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)

Sathya P. Koushik
(Partner)
(Membership No. 206920)
(UDIN: 23206920BGYMGI6497)

Place: Bengaluru
Date: 28 July 2023

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph (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 of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of **STELIS BIOPHARMA LIMITED** (hereinafter referred to as "the Parent"), as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent is responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated 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 ("the 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 Parent'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 Parent's internal financial controls with reference to consolidated financial statements 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 system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Parent's internal financial controls system with reference to consolidated financial statements.

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, the Parent, has, 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, 2023, based on the internal control with reference to consolidated 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.

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

Sathya P. Koushik
(Partner)
(Membership No. 206920)
(UDIN: 23206920BGYMGI6497)

Place: Bengaluru
Date: July 28, 2023

Consolidated Balance Sheet

as at March 31, 2023

(₹ in Million)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
A. ASSETS			
I Non-current assets			
(a) Property, Plant and Equipment	4A	11,269.51	11,856.61
(b) Right of use assets	4B	399.08	412.09
(c) Capital work in progress	4C	1,912.31	677.56
(d) Intangible assets	4D	1,944.68	42.83
(e) Intangible assets under development	4E	1,432.38	4,219.35
(f) Financial assets			
(i) Security deposits	5	100.30	110.73
(g) Other non-current assets	6	745.78	1,993.42
Total non-current assets		**17,804.04**	**19,312.59**
II Current assets			
(a) Inventories	7	1,331.57	2,754.79
(b) Financial assets			
(i) Investments	8	45.00	
(ii) Trade receivables	9	38.22	236.43
(iii) Cash and cash equivalents	10A	49.74	1,217.55
(iv) Bank balances other than (ii) above	10B	748.53	479.82
(c) Other current assets	6	70.98	422.38
Total current assets		**2,284.04**	**5,110.97**
Total assets (I+II)		**20,088.08**	**24,423.56**
B. EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	11A	40.10	30.36
(b) Other equity	11B	7,814.43	10,094.43
Total Equity		**7,854.53**	**10,124.79**
II Liabilities			
1 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings - LT	12	3,348.75	5,972.57
(ii) Lease liabilities	13	211.15	218.14
(b) Provisions	14	21.50	21.14
Total Non-current liabilities		**3,581.40**	**6,211.85**
2 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	5,018.16	5,570.18
(ii) Lease liabilities	13	64.14	54.06
(iii) Trade payables	16		
(A) total outstanding dues of micro enterprises and small enterprises		170.99	135.65
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		777.21	487.02
(iv) Other financial liabilities	17	1,965.54	1,530.20
(b) Provisions	14	35.83	33.32
(c) Other current liabilities	18	620.28	276.49
Total Current liabilities		**8,652.15**	**8,086.92**
Total Equity and liabilities (I+II)		**20,088.08**	**24,423.56**

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

Sathya P Koushik
Partner
Membership Number: 206920

Place : Bengaluru
Date : July 28, 2023

For and on behalf of Board of Directors

P R Kannan
CFO & Executive Director
DIN : 03435209

Arun Kumar
Non- Executive Director
DIN: 00084845

Allada Trisha
Company Secretary
Membership Number: A47635

Place : Bengaluru
Date : July 28, 2023

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in Million)

Sl No	Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
1	Revenue from operations	19	410.74	1,321.27
2	Other income	20	46.66	37.70
3	**Total income (1+2)**		**457.40**	**1,358.97**
4	**Expenses**			
	(a) Cost of materials consumed	21	355.13	1,055.19
	(b) Changes in inventories of finished goods and work-in-progress	22	(11.40)	(1,046.37)
	(c) Employee benefits expenses	23	870.83	609.89
	(d) Finance costs	24	1,207.63	680.26
	(e) Depreciation and amortisation expenses	25	1,141.01	703.49
	(f) Other expenses	26	1,446.01	1,120.95
	Total expenses (4)		**5,009.21**	**3,123.35**
4	**Profit/(loss) before exceptional items and tax (3 - 4)**		**(4,551.81)**	**(1,764.38)**
5	Exceptional items - gain/(loss)	27	(3,446.49)	–
6	**Profit/(loss) before tax (4 + 5)**		**(7,998.30)**	**(1,764.38)**
7	Tax expense			
	Current tax		–	–
	Current tax of subsidiary -reversal of excess provision of prior year		–	(1.05)
	Total tax expense		**–**	**(1.05)**
8	**Profit/(loss) after tax (6 - 7)**		**(7,998.30)**	**(1,763.33)**
9	Other Comprehensive Income			
	Items that will not be reclassified to statement of profit and loss			
	– Remeasurements of post employment benefit obligations-gain / (loss)		4.75	2.75
	Items that may be reclassified to statement of profit and loss			
	– Exchange differences in translating the financial statements of foreign operations		16.12	17.99
	– Income tax relating to these items		–	–
	Total other comprehensive income		**20.87**	**20.74**
10	**Total comprehensive income/(loss) for the period (8+9)**		**(7,977.43)**	**(1,742.59)**
11	**Earnings per equity share (of ₹ 1/- each)**	32		
	– Basic		(200.87)	(49.77)
	– Diluted		(200.87)	(49.77)

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

Sathya P Koushik
Partner
Membership Number: 206920

Place : Bengaluru
Date : July 28, 2023

For and on behalf of Board of Directors

P R Kannan
CFO & Executive Director
DIN : 03435209

Arun Kumar
Non- Executive Director
DIN: 00084845

Allada Trisha
Company Secretary
Membership Number: A47635

Place : Bengaluru
Date : July 28, 2023

Consolidated Cash Flow Statement

for the year ended March 31, 2023

(₹ in Million)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
A. Cash flow from operating activities				
Profit / (Loss) for the period		(7,998.30)		(2,311.60)
Adjustments for:				
Depreciation and amortisation (Refer Note 21)	1,141.01		703.49	
Finance costs (Refer Note 20)	1,207.63		680.26	
Interest income (Refer Note 18)	(30.32)		(10.44)	
Write-off of Property, Plant and Equipment	7.11		–	
Share based payment expenses (refer note 40)	59.59			
Other income	–		(0.36)	
Profit on sale of investments	(1.15)		–	
Sundry creditors written off	(0.06)		(8.82)	
Gain on sale of property, plant and equipment	(0.07)			
Insurance claim against property, plant and equipment	(9.03)		–	
Exceptional Items (refer note 26)	3,446.49		–	
Loss on disposal of investment in subsidiary	–		1.13	
Unrealised exchange (gain)/loss (net)	221.92		109.01	
		6,043.19		1,474.20
Operating profit / (loss) before working capital changes		**(1,955.11)**		**(837.40)**
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Trade receivable (Refer Note 8)	198.21		(214.20)	
Other assets (financial & non-financial)	12.27		(781.21)	
Decrease / (increase) in inventories	(579.03)		(2,705.85)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables (Refer Note 14)	150.97		119.21	
Other liabilities (financial & non-financial)	434.58		292.79	
		217.00		(3,289.26)
Net cash used for operating activities		(1,738.11)		(4,126.66)
Income taxes (paid)/refund		109.31		–
Net cash flow from / (used in) operating activities (A)		**(1,628.80)**		**(4,126.66)**
B. Cash flow from investing activities				
Capital expenditure on property, plant and equipments including capital advances	(439.95)		(6,551.86)	
Investments in Mutual Funds	(771.46)		–	
Proceeds from redemption of Mutual Funds	772.61		–	
(Increase)/decrease in balance held as margin money	(268.71)		(374.98)	
Interest received	30.32		10.44	
Dividend Received	–		0.36	
Net cash flow from / (used in) investing activities (B)		**(677.19)**		**(6,916.04)**

Consolidated Cash Flow Statement

for the year ended March 31, 2023

(₹ in Million)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
C.\Cash flow from financing activities				
\Proceeds from issue of equity shares	5,647.58		4,655.47	
\Proceeds from issue of non-convertible debentures	500.00		–	
\Proceeds of short term borrowings - Related party	955.00		–	
\Proceeds of short term borrowings - Banks	78.73			
\Proceeds of long-term borrowings	28.52		9,493.38	
\Repayment of long-term borrowings	(3,962.59)		(1,840.84)	
\Repayment of short term borrowings	(926.05)		–	
\Lease Payments	(85.10)		(32.20)	
\Interest paid	(1,052.91)		(688.41)	
Net cash flow from / (used in) financing activities (C)		**1,183.18**		**11,587.40**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**(1,122.81)**		**544.70**
Cash and cash equivalents at the beginning of the year		1,217.55		672.85
Cash and cash equivalents at the end of the period		**94.74**		**1,217.55**
Reconciliation of cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet (Refer Note 10A)		49.74		1,217.55
Liquid Mutual Funds (Refer Note 10A)		45.00		–
Cash and cash equivalents at the end of the period *		**94.74**		**1,217.55**
* Cash and cash equivalents comprises:				
Cash on hand		0.66		0.57
Balances with banks				
– in current accounts		49.08		1,216.98
Liquid Mutual Funds		45.00		–
Total		**94.74**		**1,217.55**

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

Sathya P Koushik
Partner
Membership Number: 206920

Place : Bengaluru
Date : July 28, 2023

For and on behalf of Board of Directors

P R Kannan
CFO & Executive Director
DIN : 03435209

Arun Kumar
Non- Executive Director
DIN: 00084845

Allada Trisha
Company Secretary
Membership Number: A47635

Place : Bengaluru
Date : July 28, 2023

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

A. Equity Share Capital

(1) Current reporting period

(₹ in Million)

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

(2) Previous reporting period

(₹ in Million)

Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
15.43	14.93	30.36

B. Other equity

(₹ in Million)

Particulars	Share application money pending allotment	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	
Balance as at April 01, 2021	**0.02**	**11,761.24**	**–**	**(4,005.12)**	**(11.37)**	**7,744.77**
Loss for the year	–	–	–	(2,311.60)	–	(2,311.60)
Issue of shares pursuant to exercise of share warrants	(0.02)	–	–	–	–	(0.02)
Utilization against issue of bonus shares	–	(9.97)	–	–	–	(9.97)
Premium received on shares issued during the year	–	4,650.51	–	–	–	4,650.51
Remeasurements of post employment benefit obligations - Recognised as OCI	–	–	–	2.75	17.99	20.74
Balance as at March 31, 2022	**–**	**16,401.78**	**–**	**(6,313.97)**	**6.62**	**10,094.43**
Loss for the period	–	–	–	(7,998.30)	–	(7,998.30)
Premium received on shares issued during the period	–	5,637.84	–	–	–	5,637.84
Charge for the year	–	–	59.59	–	–	59.59
Remeasurements of post employment benefit obligations - Recognised as OCI	–	–	–	4.75	16.12	20.87
Balance as at March 31, 2023	**–**	**22,039.62**	**59.59**	**(14,307.52)**	**22.74**	**7,814.43**

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

Sathya P Koushik
Partner
Membership Number: 206920

Place : Bengaluru
Date : July 28, 2023

For and on behalf of Board of Directors

P R Kannan
CFO & Executive Director
DIN : 03435209

Arun Kumar
Non- Executive Director
DIN: 00084845

Allada Trisha
Company Secretary
Membership Number: A47635

Place : Bengaluru
Date : July 28, 2023

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

Note No. 1 - General Information

Stelis Biopharma Limited (formerly known as Stelis Biopharma Private Limited) (the `Company' or `Stelis') was incorporated in the state of Karnataka on June 12, 2007 with the object of providing biotechnology process development services for healthcare industries. The Company and its subsidiaries are together referred as "Group".

These financial statements comprise the Consolidated Balance sheet of the Company, Consolidated Statement of Profit and Loss (including Other Comprehensive Income) and Consolidated Cash flow statement, Consolidated statement of changes in equity and significant accounting policies and other explanatory information (together referered as the "consolidated financial statements").

Note No. 2 - Significant accounting policies

2.1 Statement of compliance

These consolidated financial statements have been prepared to comply in all material aspects with the 'Indian Accounting Standards' ("Ind AS") notified under Section 133 of the Companies Act, 2013(the "Act") read with Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter, as applicable to the Company, and other relevant provisions of the Act.

2.2 Basis of preparation and presentation

2.2 (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 period, as explained in the accounting policies below.

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

2.2 (b) "During the year ended March 31, 2023, the Group has incurred loss of Rs. 7,998.30 million (Previous year Rs. 2,311.60 million). The Group's current liabilities (including current maturities of long-term debt of Rs. 3,079.20 million) exceeded its current assets by Rs. 6,368.11 million as at March 31, 2023.

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 year ended March 31, 2022 and 2023 as these have not been met and is hopeful of receiving the necessary waivers. The Company does not expect any penalty/call back of loans and accordingly, the Company has considered the pre-existing repayment terms in classifying the current and non-current portion of the borrowings.

Further during the year, the Group has received claims or notices from various vendors amounting to Rs. 11,440.01 million which has not been acknowledged as debt owed by the Group. Also refer note 29.

Subsequent to the year end, on July 4, 2023, the Company has signed up a binding offer with Syngene International Limited (Syngene) for sale of its Unit 3 Multimodal Facility in Bangalore. The transaction will be on a slump sale basis for a cash consideration subject to certain defined conditions precedents. Parties have agreed for a long stop date of December 31, 2023 to complete the transaction.

The Company is expected to grow the business of Contract Development and Manufacturing Operations (CDMO). During the current financial year, Company's facility in Bengaluru has successfully completed inspection by several regulators including EMA and USFDA and one of the Company's customers has also recently received approval from USFDA for a product filed from the site.

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 received marketing authorization for one its products during the year which it expects to monetise through licensing and supply arrangements.

During the year, the promoter group companies and other Investors have infused equity into the Company aggregating to Rs. 5,647.58 million (including Rs. 4,847 million from the promoter group companies and Rs. 800 million from TPG group, (Investors)). 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.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

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

The Board of Directors have approved preparation of financial statements on a going concern basis considering aforesaid mitigation plans of the management.

2.2 (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.

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 period 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 :-

Sr. No.	Name of the Subsidiary	% of Holding	Country of Incorporation
1	Stelis Pte ltd	100%	Singapore
2	Biolexis Pvt Ltd	100%	India

2.3 Revenue recognition

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government) and is recorded net of provisions for sales discounts and returns, which are established at the time of sale. Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional. Where the collection of accounts receivable is expected to be after one year from the date of sale, revenues are discounted for the time value of money.

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.

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.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

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, 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 Stelis Biopharma Private Limited.(formerly known as Stelis Biopharma Private Limited) 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 period, 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 period 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. Contracts in which all the risks and rewards of the lease are substantially transferred to the lessee are classified as a finance lease. All other leases are classified as operating leases.

Leases, for which the Group is an intermediate lessor, it accounts for the head-lease and sub-lease as two separate contracts. The sub-lease is classified as a finance lease or an operating lease by reference to the RoU asset arising from the head-lease.

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.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

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.

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 period 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.

Interest 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 period 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 period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period 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 benefit 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 annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period 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 in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period 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'. Curtailment gains and losses are accounted for as past service costs.

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.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

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 period 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 period 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 period, 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 period, 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 period'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 period.

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 period 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 period 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 period.

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 period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include 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.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

2.9.3 Current and deferred tax for the year

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

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 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 period, 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 period of the asset

Individual assets costing less than ₹ 5,000 are depreciated in full in the year of purchase.

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

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 period, 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 period 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.

Notes forming part of the Consolidated Financial Statements

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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 period 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.

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 period, 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.

Notes forming part of the Consolidated Financial Statements

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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 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 collaterized 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 period, 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 period 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 the periods 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 Cash Flow Statement

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."

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 financial statements and the reported amounts of income and expenses during the reported period. 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 period 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

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods.

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 pre-tax future cash flows attributable to the assets and a pre-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 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

Notes forming part of the Consolidated Financial Statements

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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 28

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 financial statements remains appropriate. Also see Note 2.2(b).

3.1.6 Leases under Ind AS 116

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period 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 periods 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, 2023, the Company has considered possible effects that may result from geopolitical situation in Russia and Ukraine, in preparation of the 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 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.

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Note No. 4A - Property, Plant and Equipment

(₹ in Million)

Particulars	Gross block				Accumulated depreciation				Net block	
	As at April 01, 2022	Additions	Disposals	As at Mar 31, 2023	As at April 01, 2022	Depreciation expense for the year	Eliminated on disposal of assets	As at Mar 31, 2023	As at Mar 31, 2023	As at Mar 31, 2022
Buildings/Leasehold Improvements	1,428.83	12.31	0.25	1,440.89	168.26	86.53	0.24	254.55	1,186.34	1,260.57
	(1,166.80)	*(262.03)*	–	*(1,428.83)*	*(105.93)*	*(62.33)*	–	*(168.26)*	*(1,260.57)*	*(1,060.87)*
Plant and Machinery	11,568.60	402.32	38.18	11,932.74	1,223.00	875.50	25.20	2,073.30	9,859.44	10,345.60
	(5,468.61)	*(6,100.19)*	*(0.20)*	*(11,568.60)*	*(659.49)*	*(563.53)*	*(0.02)*	*(1,223.00)*	*(10,345.60)*	*(4,809.12)*
Office equipments	116.98	7.45	0.22	124.21	50.09	23.66	0.21	73.54	50.67	66.89
	(82.29)	*(34.69)*	–	*(116.98)*	*(32.18)*	*(17.91)*	–	*(50.09)*	*(66.89)*	*(50.11)*
Computers	156.41	12.37	3.81	164.97	55.48	28.33	3.55	80.26	84.71	100.93
	(75.44)	*(80.97)*	–	*(156.41)*	*(33.99)*	*(21.49)*	–	*(55.48)*	*(100.93)*	*(41.45)*
Furniture and fixtures	96.44	17.53	3.47	110.50	15.11	10.99	2.87	23.23	87.27	81.33
	(56.31)	*(40.13)*	–	*(96.44)*	*(7.81)*	*(7.30)*	–	*(15.11)*	*(81.33)*	*(48.50)*
Vehicles	1.72	–	–	1.72	0.43	0.21	–	0.64	1.08	1.29
	(1.72)	–	*(1.72)*	*(0.22)*	*(0.21)*	–	*(0.43)*	*(1.29)*	*(1.50)*	*(1.50)*
Total	13,368.98	**451.98**	**45.93**	**13,775.03**	**1,512.37**	**1,025.22**	**32.07**	**2,505.52**	**11,269.51**	**11,856.61**
Previous year	*(6,851.17)*	***(6,518.01)***	***(0.20)***	***(13,368.98)***	***(839.62)***	***(672.77)***	***(0.02)***	***(1,512.37)***	***(11,856.61)***	***(6,011.55)***

Notes:-

(i) Figures in bracket relates to previous year

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

Note No. 4B - Right of Use Assets

(₹ in Million)

Particulars	Gross block				Accumulated depreciation				Net block	
	As at April 01, 2022	Additions	Disposals	As at Mar 31, 2023	As at April 01, 2022	Depreciation expense for the year	Eliminated on disposal of assets	As at Mar 31, 2023	As at Mar 31, 2023	As at Mar 31, 2022
Land	157.35	–	–	157.35	6.45	1.63	–	8.08	149.27	150.90
	(157.35)	–	–	*(157.35)*	*(4.82)*	*(1.63)*	–	*(6.45)*	*(150.90)*	*(152.53)*
Building	321.74	60.97	–	382.71	63.26	71.49	–	134.75	247.96	258.48
	(132.89)	*(188.85)*	–	*(321.74)*	*(2.86)*	*(60.40)*	–	*(63.26)*	*(258.48)*	*(130.03)*
Plant and Machinery	4.31	–	–	4.31	1.60	0.86	–	2.46	1.85	2.71
	(4.31)	*(4.31)*	–	*(4.31)*	*(0.74)*	*(0.86)*	–	*(1.60)*	*(2.71)*	*(3.57)*
Total	483.40	**60.97**	**–**	**544.37**	**71.31**	**73.98**	**–**	**145.29**	**399.08**	**412.09**
Previous year	*(294.55)*	***(193.16)***	**–**	***(483.40)***	***(8.42)***	***(62.89)***	**–**	***(71.31)***	***(412.09)***	***281.82***

Notes:-

(i) Figures in bracket relates to previous year

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

Note No. 4C - Capital Work in Progress

(₹ in Million)

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Opening Balance	677.56	776.96
Add: Additions during the year	1,699.67	6,442.21
Less: Capitalised during the year	(464.92)	(6,541.61)
Closing Balance	**1,912.31**	**677.56**

(a) CWIP ageing schedule

(₹ in Million)

Capital Work in Progress	Amount in CWIP for a period of				As at Mar 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
Projects temporarily suspended	–	–	–	–	–
	1,393.01	**259.79**	**18.90**	**240.61**	**1,912.31**

(₹ in Million)

Capital Work in Progress	Amount in CWIP for a period of				As at Mar 31, 2022
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	417.98	18.97	91.42	149.19	677.56
Projects temporarily suspended	–	–	–	–	–
	417.98	**18.97**	**91.42**	**149.19**	**677.56**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

Note No. 4D - Intangible Assets

(₹ in Million)

	Gross block				Accumulated depreciation				Net block	
Particulars	**As at April 01, 2022**	**Additions**	**Disposals**	**As at Mar 31, 2023**	**As at April 01, 2022**	**Depreciation expense for the year**	**Eliminated on disposal of assets**	**As at Mar 31, 2023**	**As at Mar 31, 2023**	**As at Mar 31, 2022**
Software licenses	62.80	12.94	–	75.74	19.97	13.95	–	33.92	41.82	42.83
	(39.20)	*(23.60)*	–	*(62.80)*	*(10.73)*	*(9.24)*	–	*(19.97)*	*(42.83)*	*(28.47)*
Marketing and	–	1,930.72	–	1,930.72	–	27.86	–	27.86	1,902.86	–
manufacturing rights	–	–	–	–	–	–	–	–	–	–
Total	62.80	**1,943.66**	**–**	**2,006.46**	**19.97**	**41.81**	**–**	**61.78**	**1,944.68**	**42.83**
Previous year	*(39.20)*	***(23.60)***	**–**	***(62.80)***	***(10.73)***	***(9.24)***	**–**	***(19.97)***	***(42.83)***	***(28.47)***

Notes:-

(i) Figures in bracket relates to previous year

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

Note No. 4E - Intangible assets under development

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Intangible assets under development	1,432.38	4,219.35
Total	**1,432.38**	**4,219.35**

(₹ in Million)

Intangible assets under development	Amount 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	-	-	-	-	-
	187.70	**234.10**	**239.69**	**770.89**	**1,432.38**

(₹ in Million)

Intangible assets under development	Amount in Intangible assets under development for a period of				As at March 31, 2022
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	673.52	1,031.17	547.88	1,966.78	4,219.35
Projects temporarily suspended	-	-	-	-	-
	673.52	**1,031.17**	**547.88**	**1,966.78**	**4,219.35**

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

Note No 4F - Annual Impairment assessment (CDMO 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 Rs. 10,146 Mio. as at March 31, 2023 (March 31, 2022: Rs. 10,539). 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 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 22.5% (March 31, 2022: 22%). 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, 2022: 5%) p.a. which is consistent with the industry forecasts for the biosimilar market.

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 17.46% (March 31, 2022: 8.75%)
- Increase in discount rate by 15.45% and nil terminal growth rate (March 31, 2022: 6.92%)

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

Note No 4G - Annual Impairment assessment (Unit - 3 Multimodal facility):

The Management of the Company have performed impairment assessment of the carrying value of the assets of the Unit - 3 Multimodal facility amounting to Rs. 6,182 Mio. as at (March 31, 2022: Rs. 6,170). 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 Unit 3- Multimodal facility’s expected future cash flows. These estimates and assumptions, primarily include, but are not limited to:

- Generation of revenues in due course from the multimodal facility,
- attainment of profitable operations,
- discount rate and
- terminal growth rate

The expected cash flows used in computation of value in use are based on post tax discount rate of 26% (March 31, 2022: 25%). 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, 2022: 5%) p.a. which is consistent with the industry forecasts for the biosimilar market.

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 12.70% (March 31, 2022: 8.20%)
- Increase in discount rate by 10.50% and nil terminal growth rate (March 31, 2022: 7.70%)

Note No. 5 - Other Financial assets

(₹ in Million)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non Current	Current	Non Current
Security Deposits	–	100.30	–	110.73
Total	**–**	**100.30**	**–**	**110.73**

Note No. 6 - Other assets

(₹ in Million)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non Current	Current	Non Current
Unsecured, considered good:				
– Capital advances	–	112.85	–	1,122.78
– Balances with government authorities				
– VAT/CST refund receivable	–	12.74	–	12.74
– GST credit & other receivable	–	595.98	–	799.08
– TDS receivable	25.28	–	–	58.82
– Advances to vendors	33.13	–	110.92	–
– Advances to related parties	–			
– Advances to employees	1.75	–	2.16	–
– Prepaid expenses	10.82	24.21	309.30	–
Unsecured, considered doubtful:				
– Advances to vendors	144.01	–	–	–
– Less : Allowance for doubtful advances	(144.01)	–	–	–
Total	**70.98**	**745.78**	**422.38**	**1,993.42**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

Note No. 7 - Inventories

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials	731.77	1,082.19
Work-in-progress	–	476.30
Finished goods	–	570.07
Consumables	658.00	626.23
Less : Provision for Inventory Obsolescence	(58.20)	–
Total	**1,331.57**	**2,754.79**

"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 Company had received an order for 50 million doses of the Sputnik light vaccine to be exported to Russia, Iran and other countries. The Company had also received the Government of India's No Objection Certificate (NOC) to export to the said countries.

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. The Company has issued a notice to RDIF and Enso to offtake undelivered vaccines and also pay amount of ₹ 10,498.40 Mio towards cost, expenses and damages incurred by the Company.

Due to geopolitical situation between Russia and Ukraine and sanctions on Russia, the Company was not able to liquidate these inventories within its shelf life. Accordingly, the Company has written off Sputnik vaccine inventories and other related balances of ₹ 2,002.24 as exceptional items for the year ended March 31, 2023 (refer note 27)."

Note No. 8 - Investments

(₹ in Million)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Qty	Amount		Qty	Amount	
		Current	Non Current		Current	Non Current
Investments carried at fair value:						
Mutual Funds, quoted						
SBI overnight fund direct growth	12,333.21	45.00	–	–	–	–
Total	**12,333.21**	**45.00**	**–**	**–**	**–**	**–**
Aggregate amount of quoted investments	12,333.21	45.00	–	–	–	–
Aggregate amount of market value of investments	12,333.21	45.00	–	–	–	–

Note No. 9 - Trade receivables

(₹ in Million)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non Current	Current	Non Current
Unsecured, considered good:				
Trade receivables considered good - unsecured	38.22	–	236.43	–
Total	**38.22**	**–**	**236.43**	**–**

Movement in allowance for doubtful debts is as follows:

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	–	–
Allowance for doubtful debts	6.78	–
Written off during the year	6.78	–
Closing Balance	**–**	**–**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

Note No. 9 - Trade receivables (Cond..)

(₹ 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
	22.87	14.10	1.03	0.19	–	0.03	38.22

(₹ in Million)

Particulars	Not Due	Outstanding for following periods from due date of payment					As at March 31, 2022
		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	135.54	100.67	0.19	–	0.01	0.02	236.43
135.54	135.54	100.67	0.19	–	0.01	0.02	236.43

Note 10A - Cash and cash equivalents

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	0.66	0.57
Balances with banks		
- in current accounts	49.08	1,216.98
Total	**49.74**	**1,217.55**
The balances that meet the definition of cash and cash equivalents as per IndAS 7 Cash flow statement is (including liquid mutual funds of ₹, 45 million)	94.74	1,217.55

Note No. 10B - Other balances with banks

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance held as margin money:		
- against borrowing facilities with banks	748.53	479.82
Total	**748.53**	**479.82**

Note No. 11A - Equity Share Capital

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised		
50,000,000 Equity shares of ₹ 1/- each with voting rights	50.00	35.50
(355,000 Equity shares of ₹ 10/- each with voting rights as on March 31, 2021)		
	50.00	**35.50**
Issued, subscribed and fully paid up		
41,546,510 Equity shares of ₹ 1/- each with voting rights as on March 31, 2023		
40,023,816 Fully paid equity share of ₹ 1/-	40.02	
1,522,694 Partly paid equity share of ₹ 0.05/-	0.08	
39,096,280 Equity shares of ₹ 1/- each with voting rights as on March 31,2022		
29,896,810 Fully paid equity share of ₹ 1/-	29.90	
9,199,470 Partly paid equity share of ₹ 0.05/-	0.46	
Total	**40.10**	**30.36**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

Note No. 11A - Equity Share Capital (Cond..)

(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 31st Mar 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 31st Mar 2023			
No. of Shares	91,99,470	(76,76,776)	15,22,694
Amount ₹ in Million	0.46	(0.38)	0.08
Equity shares of ₹ 1/- each with voting rights			
Year Ended 31 Mar 2022			
No. of Shares	15,43,309	2,83,53,501	2,98,96,810
Amount ₹ in Million	15.43	14.47	29.90
Partly paid equity shares of ₹ 0.05/- each			
Year Ended 31 Mar 2022			
No. of Shares	–	91,99,470	91,99,470
Amount ₹ in Million	–	0.46	0.46

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.

On July 14, 2021, pursuant to the shareholders approval, the Company had made a bonus issue of equity shares in the ratio of 1:2 for all its shareholders. Further, the Company had sub-divided the equity shares in the ratio of 10:1 i.e., sub-dividing the equity shares of face value of ₹ 10/- each into equity shares of face value ₹ 1/- each.

(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, 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 Pvt Ltd (Formally known as Tenshi Life Sciences Pvt Ltd)"	40,01,400	19,71,315	59,72,715	-	44,50,021	15,22,694	59,72,715	14.38%	0.00%
Karuna Business Solutions LLP	-	53,88,255	53,88,255	12,25,115	66,13,370	-	66,13,370	15.92%	2.95%

Name of shareholder	No. of shares at the beginning of the year			Change during the year	As at March 31, 2022				% 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 Pharmacuticals Pvt Ltd (Formally known as Tenshi Life Sciences Pvt Ltd)"	59,72,715	-	59,72,715	-	40,01,400	19,71,315	59,72,715	19.98%	0.00%
Karuna Business Solutions LLP	-	-	-	-	-	53,88,255	53,88,255	18.02%	0.00%

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

Note No. 11A - Equity Share Capital (Cond..)

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

(₹ in Million)

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares	%	Number of shares	%
Strides Pharma Science Limited	1,10,89,320	26.69%	1,10,89,320	37.09%
Tenshi Pharmaceuticals Private Limited	59,72,715	14.38%	59,72,715	19.98%
Karuna Business Solutions LLP	66,13,370	15.92%	53,88,255	18.02%
Medella Holdings Pte Ltd	64,11,305	15.43%	51,86,190	17.35%
Route One Fund I, L.P	26,87,200	6.47%	26,87,200	8.99%
TIMF Holdings	25,16,700	6.06%	25,16,700	8.42%

Note No. 11B - Other equity

(₹ in Million)

Particulars	Note no.	As at March 31, 2023	As at March 31, 2022
Securities premium account	10C (i)	22,039.62	16,401.78
Retained earnings	10C (ii)	(14,284.78)	(6,307.35)
Share based payment reserve	10C (iii)	59.59	
Share application money pending allotment	10C (iv)	–	–
Total		**7,814.43**	**10,094.43**

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
(A) Reserves and surplus		
(i) Security premium account		
Opening balance	16,401.78	11,761.24
Less: Utilization against issue of bonus shares	–	(9.97)
Add: Premium on equity shares issued during the year	5,637.84	4,650.51
Closing balance	**22,039.62**	**16,401.78**
(ii) Retained earnings		
Opening balance	(6,307.35)	(4,016.49)
Add: Loss for the year	(7,998.30)	(2,311.60)
Add: Remeasurements of post employment benefit obligations - Recognised as other comprehensive income	4.75	2.75
Add: Exchange differences in translating the financial statements of foreign operations	16.12	17.99
Closing balance	**(14,284.78)**	**(6,307.35)**
(iii) Share based payment reserve		
Opening balance	–	–
Add: Charge for the year	59.59	–
Less: Transfer to securities premium on account of exercise	–	–
Closing balance	**59.59**	**–**
(iv) Share application money pending allotment		
Opening balance	–	0.02
Add: Addition during the year	–	–
Less: Shares allotted during the year	–	(0.02)
Closing balance	**–**	**–**
Total reserves and surplus	**7,814.43**	**10,094.43**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

Note No. 11B - Other equity (Cond..)

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.

(d) Share application money pending allotment : Share application money pending allotment account represents the share allotment monies received by the company but pending allotment as on the reporting date.

Note No. 12 - Non-current borrowings

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured:		
- Term loans from banks (Refer note 1 below)	2,848.75	5,972.57
Un-secured:		
- Non convertible debentures	500.00	–
Total	**3,348.75**	**5,972.57**

Note 1

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

(₹ in Million)

Terms of repayment and security - Loan 1 (Refer note 3 below)	As at March 31, 2023	As at March 31, 2022
Terms of repayment and security - Loan 1 (USD) (Refer note 3 below)	As at March 31, 2023	As at March 31, 2022
Non-current borrowings	434.60	667.11
Current maturities of non-current borrowings	288.77	265.53
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 Ltd. Rate of interest: 3 month LIBOR + 3.65% Repayment to be made over 28 equal quarterly instalments. The outstanding term as at March 31, 2023 are 10 installments. (March 31, 2022: 14 installments) Strides Pharma Science Limited has provided corporate guarantee for this loan.		

(₹ in Million)

Terms of repayment and security - Loan 2	As at March 31, 2023	As at March 31, 2022
Non-current borrowings	194.49	304.70
Current maturities of non-current borrowings	110.21	109.61
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 Ltd. Rate of interest: I Base rate + spread of 0.8% Repayment to be made over 28 equal quarterly instalments. The outstanding term as at March 31, 2023 are 11 instalments. (March 31, 2022: 15 installments) Strides Pharma Science Limited has provided corporate guarantee for this loan.		

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

Note No. 12 - Non-current borrowings (Cond..)

(₹ in Million)

Terms of repayment and security - Loan 3	As at March 31, 2023	As at March 31, 2022
Non-current borrowings	879.97	1,259.85
Current maturities of non-current borrowings	380.60	374.99
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		
Repayment to be made over 20 equal quarterly instalments. The outstanding term as at March 31, 2023 are 13 instalments. (March 31, 2022: 17 installments)		
Strides Pharma Science Limited has provided corporate guarantee for this loan.		

(₹ in Million)

Terms of repayment and security - Loan 4	As at March 31, 2023	As at March 31, 2022
Non-current borrowings	–	512.68
Current maturities of non-current borrowings	512.73	2,008.70
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%		
Repayment to be made over 16 equal monthly instalments.		
The outstanding term as at March 31, 2023 are 3 instalments. (March 31, 2022: 15 installments)		
Strides Pharma Science Limited has provided corporate guarantee for this loan.		

(₹ in Million)

Terms of repayment and security - Loan 5	As at March 31, 2023	As at March 31, 2022
Non-current borrowings	52.71	80.21
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: 7.30% and Spread 1%		
Repayment to be made over 48 equal monthly instalments. The outstanding term as at March 31, 2023 are 35 instalments. (March 31, 2022: 47 installments)		

(₹ in Million)

Terms of repayment and security - Loan 6	As at March 31, 2023	As at March 31, 2022
Non-current borrowings	409.52	680.43
Current maturities of non-current borrowings	270.91	269.40
Security: The said loan was secured by first pari passu charge of movable and immoveable assets of the Company		
Rate of interest: 8.75%		
Repayment to be made over 16 equal quarterly instalments. The outstanding term as at March 31, 2023 are 10 instalments. (March 31, 2022: 14 installments)		
Strides Pharma Science Limited has provided corporate guarantee for this loan.		

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

Note No. 12 - Non-current borrowings (Cond..)

(₹ in Million)

Terms of repayment and security - Loan 7	As at March 31, 2023	As at March 31, 2022
Non-current borrowings	546.84	2,022.23
Current maturities of non-current borrowings	1,374.78	666.34
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 outstanding term as at March 31, 2023 are 17 instalments. (March 31, 2022: 24 installments)		
Strides Pharma Science Limited has provided corporate guarantee for this loan.		

(₹ in Million)

Terms of repayment and security - Loan 8	As at March 31, 2023	As at March 31, 2022
Non-current borrowings	185.79	249.49
Current maturities of non-current borrowings	63.70	5.31
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 Ltd.		
Rate of interest: 9.25%		
Repayment to be made over 48 equal monthly instalments. The outstanding term as at March 31, 2023 are 47 instalments. (March 31, 2022: 48 installments)		

(₹ in Million)

Terms of repayment and security - Loan 9	As at March 31, 2023	As at March 31, 2022
Non-current borrowings	145.83	195.83
Current maturities of non-current borrowings	50.00	4.17
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%		
Repayment to be made over 48 equal monthly instalments.The outstanding term as at March 31, 2023 are 47 instalments. (March 31, 2022: 48 installments)		

(₹ in Million)

Terms of repayment and security - Non-convertible debentures(NCD)	As at March 31, 2023	As at March 31, 2022
Non-current borrowings	500.00	–
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: 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 40th month from the date of allotment		

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

Note No. 12 - Non-current borrowings (Cond..)

(₹ in Million)

Loan from Related Party	As at March 31, 2023	As at March 31, 2022
Loan from Related Party	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.		

(₹ in Million)

Working capital Loan	As at March 31, 2023	As at March 31, 2022
Working capital loan (refer note 2 below)	983.96	1,838.63
Total Borrowings (refer note 1 below)	**8,367.91**	**11,542.71**

Note -1

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Disclosed under non-current borrowings	3,349.75	5,972.53
Disclosed under current borrowings		
-Current maturities of non-current borrowings	3,079.20	3,731.55
-Working capital loan	983.96	1,838.63
-Loan form related parties	955.00	–
Total	**8,367.91**	**11,542.71**

Note 2

During the year, the lender had requested the Company vide their letter dated 12 October 2022 to liquidate its working capital facility by 15 November 2022. The Management had exchanged correspondences and discussed with the lenders for extension of time to liquidate working capital facility. The Company has received further communication dated 16 January 2023 from the said lender to liquidate the working capital loan immediately. The Management had further requested the bank to extend the time to liquidate the working capital and no confirmation received from the lender for the same as on the date. However as on date the Company had already liquidated ₹ 925 million and thus bringing the balance to ₹ 983.96 million as at March 31, 2023.

Note 3

The above loan includes borrowings repayable in USD of ₹ 723.37 Million (including current maturities of ₹ 288.77) on which interest is payable at 3 month Libor plus margin of 3.65% p.a. However, as the Company has taken interest rate swap with the same party from whom the loan is availed, and thereby converting the interest rate on the loan to a specified fixed interest rate of 5.88% p.a. Pursuant to the above arrangement, the Company has accrued interest at the rate of0 5.88% p.a. on the said loan.

Note No. 13 - Lease liabilities

(₹ in Million)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non Current	Current	Non Current
– Lease liabilities (refer note 31)	64.14	211.15	54.06	218.14
Total	**64.14**	**211.15**	**54.06**	**218.14**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

Note No 14 - Provisions

(₹ in Million)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non Current	Current	Non Current
Provision for employee benefits:				
– Gratuity (refer note 30)	2.61	21.50	1.81	21.14
– Compensated absences	33.22	–	31.51	–
Total	**35.83**	**21.50**	**33.32**	**21.14**

Note No. 15 - Current Borrowings

(₹ in Million)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non Current	Current	Non Current
Term loan from Banks :				
– Current maturities of non-current borrowings (Refer note 11)	3,079.20	–	3,731.55	–
– Working capital loans	983.96	–	1,838.63	–
Term loan from Others :				
– Loans from related parties (Refer Note 28)	955.00	–	–	–
Total	**5,018.16**	**–**	**5,570.18**	**–**

Note No. 16 - Trade payables

(₹ in Million)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non Current	Current	Non Current
– Total outstanding dues of micro enterprises and small enterprises	170.99	–	135.65	–
– Total outstanding dues of creditors other than micro and small enterprises	777.21	–	487.02	–
Total	**948.20**	**–**	**622.67**	**–**

(₹ in Million)

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				As at March 31, 2023
			Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
(i) MSME	–	8.57	143.30	19.12	–	–	170.99
(ii) Others	181.55	56.02	469.99	68.95	0.07	0.63	777.21
	181.55	**64.59**	**613.29**	**88.07**	**0.07**	**0.63**	**948.20**

(₹ in Million)

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				As at March 31, 2022
			Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
(i) MSME	–	65.39	70.26	–	–	–	135.65
(ii) Others	119.93	95.97	269.50	0.99	0.07	0.56	487.02
	119.93	**161.36**	**339.76**	**0.99**	**0.07**	**0.56**	**622.67**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

Note No. 16 - Trade payables (Cond..)

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

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Principal amount remaining unpaid to any suppliers as at the end of the accounting year*	420.99	135.65
(ii) Interest due thereon remaining unpaid to any suppliers as at the end of the accounting year	42.02	0.26
(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	13.47	–
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	60.09	4.60
(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 ₹ 250 million towards capital creditors

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

Note No. 17 - Other financial liabilities

(₹ in Million)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non Current	Current	Non Current
– Interest accrued but not due on borrowings	28.07	–	32.20	–
– Interest accrued on delayed payments to MSME vendors	60.09	–	4.60	–
– Creditors for capital supplies/services	1,677.15	–	1,360.22	–
– Payable to related parties	200.23	–	133.18	–
Total	**1,965.54**	**–**	**1,530.20**	**–**

Note No. 18 - Other liabilities

(₹ in Million)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non Current	Current	Non Current
– Advance from customers	541.76	–	190.64	–
– Statutory dues	18.97	–	26.30	–
– Grant from Biotechnology Industry Research Assistance Council	59.55	–	59.55	–
Total	**620.28**	**–**	**276.49**	**–**

Note No. 19 - Revenue from operations

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of Material	23.60	28.57
Sale of services	387.14	1,292.70
Total	**410.74**	**1,321.27**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

Note No. 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	For the year ended March 31, 2023	For the year ended March 31, 2022
India	289.71	1,154.33
Rest of the world	121.03	166.94
Total revenues by Geography	**410.74**	**1,321.27**

Geographical revenue is allocated based on the location of the customers

Note No. 19.2 - Changes in contract liabilities:

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year	190.64	45.16
Add:- Increase due to invoicing during the year	397.52	158.67
Less:- Amount recognised as revenue/other adjustments during the year	(46.40)	(13.19)
Balance at the end of the year	**541.76**	**190.64**

Note No. 19.3 - Contract balances

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Trade receivables*	38.22	236.43
Contract liabilities**	541.76	190.64

* Trade receivables are non-interest bearing.

** Contract liabilities are shown as advance from customers (Refer note 17)

Note No. 20 - Other income

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income on financial assets at amortised cost	30.32	10.44
Interest Income on Tax Refund	2.07	–
Unwinding of discount on security deposit	2.32	1.60
Profit on sale of investments	1.15	16.41
Scrap sales	1.71	0.36
Proceeds from Insurance claim against PPE	9.03	–
Gain on sale of property, plant and equipment	–	0.07
Sundry Creditors written off	0.06	8.82
Total	46.66	37.70

Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2023

Note No. 21 - Cost of materials consumed

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening stock	1,708.42	48.94
Add: Purchases	656.81	3,262.88
Less: Closing stock	1,389.77	1,708.42
Total	**975.46**	**1,603.40**
Less: Inventories written-off (refer note 27)	(620.33)	–
Cost of materials consumed	**355.13**	**1,603.40**

Note No. 22 - Changes in inventories of finished goods, work-in-progress and stock-in-trade

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the end of the year		
Work-in-progress	–	476.30
Finished goods	–	570.07
Bad and Doubtful - Inventory written off	–	–
	–	**1,046.37**
Inventories at the beginning of the year		
Work-in-progress	476.30	–
Finished goods	570.07	–
	1,046.37	**–**
Less: Inventories written-off (refer note 27)	(1,057.77)	
Total	**(11.40)**	**(1,046.37)**

Note No. 23 - Employee benefit expense

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages	674.17	512.80
Contributions to provident and other funds	38.97	28.22
Staff welfare expenses	98.10	68.87
Share based payment expenses (refer note 40)	59.59	–
Total	**870.83**	**609.89**

Note No. 24 - Finance cost

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on borrowings (including exchange differences regarded as an adjustment to borrowing costs)0	1,019.08	569.92
Less : Amount included in the cost of qualifying assets	(30.35)	(51.13)
	988.73	**518.79**
Interest expense on loan from related party	2.91	–
Interest on lease liability	27.22	25.57
Other borrowing cost - Guarantee commission, Bank charges etc	133.28	134.83
Interest on delayed payment to MSME vendors	55.49	1.07
Total	**1,207.63**	**680.26**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

Note No. 25 - Depreciation and amortisation expenses

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on Property, plant and equipment (Refer Note 4A)	1,025.22	672.77
Depreciation on Right to use assets (Refer Note 4B)	73.98	62.89
Less: Amounts included in the cost of assets	–	(41.41)
Amortisation on Intangible assets (Refer Note 4D)	41.81	9.24
Total	**1,141.01**	**703.49**

Note No. 26 - Other Expenses

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Power & Fuel	289.72	256.51
Rates and taxes	16.92	28.92
Rent	13.90	10.97
Insurance	52.22	33.54
Repairs and maintenance:		
– Machinery	43.07	56.21
– Others	104.26	132.60
Manpower service	64.40	44.60
Housekeeping service	86.67	63.16
Freight and forwarding	87.56	35.40
Business promotion	10.47	9.55
Travelling and conveyance	11.67	5.15
Exchange fluctuation loss (net)	215.83	108.88
Printing and stationery	9.72	12.71
Communication	9.25	11.93
Security Charges	19.34	13.11
Office expense	2.67	2.38
Write-off of Property, Plant and Equipment	7.11	–
Boarding and lodging	10.71	13.79
Support service charges	138.14	94.46
Legal and professional fees	198.20	127.54
Auditors remuneration (refer note (i) below)	4.27	3.86
Regulatory charges	3.27	2.58
Gardening Charges	2.61	4.44
Water Charges	7.08	10.28
Gas Charges	22.17	22.04
Advance written off	5.42	4.07
Investment written off	–	1.13
Miscellaneous expenses	9.36	11.14
Total	**1,446.01**	**1,120.95**

Note

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

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Audit of standalone and consolidated financial statements (including quarterly limited reviews)	3.75	3.75
Audit fees of subsidiaries	0.41	–
Reimbursement of expenses	0.11	0.11
Total	**4.27**	**3.86**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

Note No. 27 - Exceptional items

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Write-off related to Inventories and other related balances of Sputnik Light vaccines. (refer note (i) below)	2,002.24	–
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	–
Total	**3,446.49**	**–**

Note (i) :

Due to geopolitical situation between Russia and Ukraine and sanctions on Russia, the Company was not able to liquidate these inventories within its shelf life. Accordingly, the Company has written off Sputnik vaccine inventories and other related balances of ₹ 2,002.24 as exceptional items for the year ended March 31, 2023 (refer note 7)."

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 current 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 has 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 (refer note 4F), 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. 28 - Details of Research and Development expenditure incurred

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Research & development expenses including capital expenditure:		
Material and third party outsourcing cost	29.89	425.22
Labour	147.48	176.82
Finance Cost	30.35	51.13
Overheads	108.41	20.36
Total	**316.13**	**673.53**

Note No. 29 - Contingent Liabilities and Capital Commitments (To the extent not provided for)

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances):		
-Property, Plant and equipment	490.06	1,502.36
Total	**490.06**	**1,502.36**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

Note No. 29 - Contingent Liabilities and Capital Commitments (To the extent not provided for) (Cond..)

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Claims not acknowledged as debts by the Company	11,440.01	–
Total	**11,440.01**	**–**

a) The Subsidiary (Biolexis Pte) of the Company has received a claim from its manufacturing partner of USD 136.32 million (₹ 11,206.87 million) towards reimbursement of expenditure claiming that it suffered loss and damage due to the Contract Manufacturing Agreement to manufacture Sputnik Light Vaccine being terminated by Biolexis. The same has not been acknowledged as debt in the books of Biolexis Pte.

Further Biolexis Pte has counter claimed for failure to supply and breaches under the collaboration agreement towards procuring equipment and consumables, which are unusable. Biolexis Pte has already taken legal recourse through its external legal counsel to refute the claims that are false, baseless, and misconceived and has sought a 100% refund of the Capacity fee of USD 13.62 million (₹ 1,120.68 million) which was paid to Prestige guaranteeing the prompt refund of the Advance Amount in case no manufacturing occurs within the agreed timelines."

b) The Company has received claim from vendor amounting to ₹ 227.62 million towards pending take off of Sputnik related inventories by the Company. The Company has counter claimed for failure to supply and breaches under the collaboration agreement towards procuring equipment and consumables, which are unusable.

c) The Company has received claim from vendor amounting to ₹ 30.75 million towards pending payments against the purchase of materials from the vendor. The Company has accepted the claim to extent of ₹25.23 million has sought time to pay the balance. Remaining amount of ₹ 5.52 million has not been acknowledged as debt by the company.

Note No. 30 - 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. The company recognised ₹ 30.56 Million (previous year: ₹ 20.49 Million) 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	
	31-Mar-23	31-Mar-22
Discount rate(s)	7.30%	6.41%
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, 2023

Note No. 30 - Employee Benefits Plans (Cond..)

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, 2023	As at March 31, 2022
Service cost:		
Current service cost	8.83	6.59
Past service cost and (gain)/loss from settlements	–	–
Net interest expense	1.41	1.14
Components of defined benefit costs recognised in statement of profit and loss	**10.24**	**7.73**
Remeasurement on the net defined benefit liability:		
Return on plan assets [excluding amounts included in net interest expense] (excess) / Short return	–	–
Actuarial (gains) / losses arising from changes in demographic assumptions	–	–
Actuarial (gains) / losses arising from changes in financial assumptions	(1.12)	(2.98)
Actuarial (gains) / losses arising from experience adjustments	(3.63)	0.23
Components of defined benefit costs recognised in other comprehensive income	**(4.75)**	**(2.75)**
Total	**5.49**	**4.98**

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 remeasurernent of the net defined benefit liability is included in other comprehensive income.

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, 2023	As at March 31, 2022
Present value of funded defined benefit obligation	24.11	22.95
Fair value of plan assets	–	–
Funded status	24.11	22.95
Restrictions on asset recognised	–	–
Net liability arising from defined benefit obligation	**24.11**	**22.95**

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

(₹ in Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening defined benefit obligation	22.95	18.42
Add: Acquisition / (disposal)	–	0.49
Expenses Recognised in statement of profit and loss		
Current service cost	8.83	6.59
Past service cost and (gain)/loss from settlements	–	–
Interest cost	1.41	1.14
Remeasurement (gains)/losses		
Actuarial (gains) / losses arising from changes in demographic assumptions	–	–
Actuarial (gains) / losses arising from changes in financial assumptions	(1.12)	(2.98)
Actuarial (gains) / losses arising from experience adjustments	(3.63)	0.23
Benefits paid	(4.33)	(0.94)
Closing defined benefit obligation	**24.11**	**22.95**

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.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

Note No. 30 - Employee Benefits Plans (Cond..)

(₹ in Million)

Principal assumption		Changes in assumption	Gratuity	
			Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	2023	100bps	(1.15)	1.27
	2022	100bps	(1.20)	1.31
Salary growth rate	2023	100bps	1.14	(1.07)
	2022	100bps	1.16	(1.12)

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	2.61
Year 2	3.10
Year 3	3.16
Year 4	4.00
Year 5	3.40
Years 6 to 10	12.45

Note No. 31 - 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	31-Mar-23	31-Mar-22
Opening balance	272.20	108.04
Additions	60.97	188.85
Interest	27.22	25.57
Lease payments	(85.10)	(50.26)
Closing balance	**275.29**	**272.20**
Current	64.14	54.06
Non-current	211.15	218.14

(₹ in Million)

Maturity analysis of OLL	31-Mar-23			31-Mar-22		
	1 year	1 to 5 years	More than 5 years	1 year	1 to 5 years	More than 5 years
Factory Building	64.14	204.52	–	54.06	213.10	–
Plant and Machinery	–	6.63	–	–	5.04	–

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).

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

Note No. 32 - Earnings per Share

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit / (Loss) after tax attributable to equity holders of the Company (A) (₹ in Million)	(7,998.30)	(2,311.60)
Weighted average number of equity shares used as denominator in calculating basic earnings per share (B)	3,98,18,561	3,54,26,071
Weighted average number of equity shares used as denominator in calculating diluted earnings per share (C)	3,98,18,561	3,54,26,071
Basic earnings per share (₹) (A/B)	(200.87)	(65.25)
Diluted earnings per share (₹) (A/C)	(200.87)	(65.25)

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

Note No. 33 - 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
Other related parties:	Tenshi Pharmaceuticals Private Limited
	Tenshi Kaizen Private Limited
	Naari Pharma Private Limited
	Chayadeep Properties Private Limited
	Steriscience Specialities Private Limited
	Steriscience Pte Limited
	Skanray Healthcare Private Limited
	Strides Pharma Inc
	Solara Active Pharma Sciences Limited
	Strides Pharma Science Pty Limited
	Strides Pharma Uk Ltd
	Strides Pharma (Cyprus) Limited
	Karuna Business Solutions LLP
	Karuna Healthcare Private Limited
	Strides Pharma Global Pte Ltd
Key Management Personnel – Chairman and Non - Executive Director	Aditya Puri (upto Mar 29th, 2023)
Key Management Personnel – Non - Executive Director	Arun Kumar Pillai
Key Management Personnel – CFO & Executive Director	Kannan Radhakrishnan Pudhucode
Key Management Personnel – Non - Executive Director	Ankur Nand Thadani
Key Management Personnel – Non - Executive Director	Mahadevan Narayanamoni
Key Management Personnel – Independent Director	A K Viswanathan (upto Mar 29th, 2023)
Key Management Personnel – Independent Director	Gopakumar Gopalan Nair (w.e.f May 04th, 2023)
Key Management Personnel – Independent Director	Rajashri Ojha (w.e.f May 04th, 2023)
Key Management Personnel – Independent Director	Vineeta Rai (upto Mar 14th, 2023)
Key Management Personnel – CEO	Mark Womack (upto Jan 24, 2022)
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, 2023

Note No. 33 - Related Party Listing and Balances: (Cond..)

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	
	Year ended 31-Mar-23	Year ended 31-Mar-22	Year ended 31-Mar-23	Year ended 31-Mar-22	Year ended 31-Mar-23	Year ended 31-Mar-22
Revenue from operations						
Sale of Material	–	–				
Strides Pharma Science Limited	0.14	–	–	–	–	–
Sale of services						
Strides Pharma Science Limited	5.46	46.03	–	–		
Steriscience Pte Limited	–	–	5.85	90.69		
Sale of services - Passthough						
Steriscience Pte Limited	–	–	32.54	21.82		
Steriscience Specialties Pvt Ltd	–	–	15.81	85.57		
Guarantee Commission considered as borrowing cost						
Strides Pharma Science Ltd	59.49	52.18	–	–	–	–
Rental expenses						
Arcolab Private Limited	–	–	0.09	0.01	–	–
Chayadeep Properties Pvt Ltd	–	–	5.89	–		
Support Service charges						
Strides Pharma Science Limited	–	2.10	–	–	–	–
Tenshi Life Sciences Pvt Ltd	8.01	12.00	–	–	–	–
Arcolab Pvt Ltd	–	–	130.10	81.44	–	–
Purchase of Material						
Strides Pharma Science Limited	–	0.01	–	–	–	–
Steriscience Specialties Pvt Ltd	–	–	0.61	–	–	–
Solara Active Pharma Sciences Limited	–	–	0.49	1.81		
Advance from / (repaid)						
Chayadeep Properties Pvt Ltd	–	–	103.50	–	–	–
Chayadeep Properties Pvt Ltd	–	–	(103.50)	–	–	–
Advance taken / (repaid)						
Strides Pharma Science Limited	–	–	25.00	–		
Strides Pharma Science Limited	–	–	(25.00)	–		
Arcolab Private Limited	–	–	95.00	–		
Arcolab Private Limited	–	–	(95.00)	–		
Loans taken/(repaid)						
Arcolab Private Limited	–	–	36.00	–	–	–
Arcolab Private Limited	–	–	(36.00)	–	–	–
Tenshi Pharmaceuticals Private Limited	975.00					
Tenshi Pharmaceuticals Private Limited	(20.00)					
Product Development Cost						
Tenshi Kaizen Pvt Ltd	–	–	–	31.40	–	–
Interest expense on loan taken						
Arcolab Private Limited	–	–	0.42	–	–	–
Tenshi Life Sciences Pvt Ltd	2.49	–	–	–	–	–
Equity/Preference shares contribution to the Company (including securities premium)						
Strides Pharma Science Ltd	–	–	–	–	–	–
Tenshi Life Sciences Pvt Ltd	236.54	54.70	–	–	–	–
Arcolab Private Limited	–	–	970.09	–	–	–
Medella Holdings Pte Ltd	800.00	–	–	–	–	
Karuna Business Solutions LLP	–	–	3,640.96	149.52	–	–

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

Note No. 33 - Related Party Listing and Balances: (Cond..)

(₹ in Million)

Nature of Balances	Entities having significant influence over Company		Other related parties		Key Managerial Personnel	
	Year ended 31-Mar-23	Year ended 31-Mar-22	Year ended 31-Mar-23	Year ended 31-Mar-22	Year ended 31-Mar-23	Year ended 31-Mar-22
Reimbursement of expenses						
Strides Pharma Science Ltd	10.61	4.03	–	–	–	–
Tenshi Kaizen Private Limited	–	–	–	1.78	–	–
Tenshi Life Sciences Pvt Ltd	6.15	7.26	–	–	–	–
Naari Pharma Private Limited	–	–	–	0.01	–	–
Arcolab Pvt Ltd	–	–	14.34	0.89	–	–
Strides Pharma Inc	–	–	33.21	7.60	–	–
Strides Pharma Science Pty Limited	–	–	9.21	–	–	
Strides Pharma Uk Ltd	–	–	8.27	–	–	
Strides Pharma (Cyprus) Limited	–	–	4.24	–	–	
Steriscience Specialties Private Limited	–	–	–	8.92	–	
Purchase of property, plant and equipment						
Strides Pharma Science Limited	0.97	–	–	–	–	–
Arcolab Private Limited	–	–	0.06	–	–	
Security Deposits						
Arcolab Private Limited	–	–	0.09	–	–	
Chayadeep Properties Pvt Ltd	–	–	4.42	–	–	
Sales of Asset						
Steriscience Specialties Private Limited	–	–	–	5.14	–	–
Employee cost:						
Mark Womack	–	–	–	–	–	12.52
Kannan Radhakrishnan Pudhucode	–	–	–	–	22.48	14.68
Puja Aggarwal	–	–	–	–	3.68	2.04
Allada Trisha	–	–			1.10	
Sitting fees paid to directors						
Deepak Vaidya	–	–	–	–	–	0.90
P. M Thampi	–	–	–	–	–	0.30
Aditya Puri	–	–	–	–	1.20	2.10
Vineeta Rai	–	–	–	–	1.60	1.30
Viswanathan AK	–	–	–	–	1.60	0.30

Closing Balance as on 31st Mar 2023

(₹ in Million)

Nature of Balances	Entities having significant influence over Company		Other related parties		Key Managerial Personnel	
	Year ended 31-Mar-23	Year ended 31-Mar-22	Year ended 31-Mar-23	Year ended 31-Mar-22	Year ended 31-Mar-23	Year ended 31-Mar-22
Other Payables						
Strides Pharma Science Ltd	52.20	12.85	–	–	–	–
Tenshi Life Sciences Pvt Ltd	7.66	15.45	–	–	–	–
Arcolab Pvt Ltd	–	–	80.28	25.12	–	–
Steriscience Pte Limited	–	–	–	60.53	–	–
Strides Pharma Inc	–	–	41.38	7.52	–	–
Steriscience Specialties Pvt Ltd	–	–	3.35	10.52	–	–
Chayadeep Properties Pvt Ltd	–	–	0.53	–	–	–
Solara Active Pharma Sciences Limited	0.24					
Steriscience Pte Limited	–	–	–	60.53	–	–
Strides Pharma Science Pty Limited	–	–	9.21	–	–	–

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

Note No. 33 - Related Party Listing and Balances: (Cond..)

(₹ in Million)

Nature of Balances	Entities having significant influence over Company		Other related parties		Key Managerial Personnel	
	Year ended 31-Mar-23	Year ended 31-Mar-22	Year ended 31-Mar-23	Year ended 31-Mar-22	Year ended 31-Mar-23	Year ended 31-Mar-22
Strides Pharma Uk Ltd	–	–	1.26	–	–	–
Strides Pharma (Cyprus) Limited	–	–	4.24	–	–	–
Security Deposits						
Arcolab Private Limited	–	–	0.09	–	–	–
Chayadeep Properties Pvt Ltd	–	–	4.42	–	–	–
Trade Receivable						
Steriscience Pte Limited	–	–	0.17	21.86	–	–
Steriscience Specialties Pvt Ltd	–	–	2.35	106.97	–	–
Strides Pharma Science Limited	0.17	–	–	–	–	–
Loan payable						
Tenshi Life Sciences Pvt Ltd	955.00	–	–	–	–	–
Advance from customer						
Steriscience Specialties Pvt Ltd	–	–	–	12.28	–	–

Note No. 34 - Financial instruments

34.1 Categories of financial instruments

(₹ in Million)

Particulars	As at 31 March, 202	As at 31 March, 2022
Financial assets:		
Measured at amortised cost		
(a) Trade receivables	38.22	236.43
(b) Cash and bank balances	798.27	1,697.37
(c) Other financial assets at amortised cost	100.30	110.73
Financial liabilities:		
Measured at amortised cost		
(a) Investments	45.00	–
Measured at amortised cost		
(a) Borrowings	3,348.75	5,972.57
(b) Current maturities of non-current borrowings	5,018.16	5,570.18
(c) Lease Liabilities	275.29	272.20
(d) Trade payables	948.20	622.67
(e) Other financial liabilities	1,965.54	1,530.20

34.2 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).

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

Note No. 34 - Financial instruments (Cond..)

34.2.1 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 summarise 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, 2023		As at March 31, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities:				
Borrowings	8,366.91	8,426.95	11,542.75	11,699.45

34.3 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:

34.3.1 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:

Foreign Currency in Million (₹ in Million)

Amount receivable/(payable)	As at March 31, 2023		As at March 31, 2022	
Exposure to the Currency	In foreign Currency	In INR	In foreign Currency	In INR
USD	(28.01)	(2,302.68)	(23.20)	(1,749.35)
EUR	(0.80)	(71.87)	6.20	541.55
GBP	(0.12)	(12.17)	(0.02)	(2.29)
SGD	(0.05)	(2.94)	(0.04)	(2.35)
AED	0.00	0.04	0.00	0.01
CHF	(0.02)	(1.58)	(0.02)	(1.45)
RUB	(1.29)	(1.29)	(0.05)	(0.05)

34.3.2 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	
	31-Mar-23	31-Mar-22
Appreciation in the USD	(115.13)	(87.47)
Depreciation in the USD	115.13	87.47
Appreciation in the EUR	(3.59)	27.08
Depreciation in the EUR	3.59	(27.08)

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

Note No. 34 - Financial instruments (Cond..)

The impact on profit has been arrived at by applying the effects of appreciation / deprecation 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, 2023.

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.

34.3.3 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 31 March, 2023	As at 31 March, 2022
Fixed-rate instruments		
Financial assets		
Balance with banks held as margin money	748.53	479.82
	748.53	**479.82**
Variable-rate instruments		
Financial liabilities		
Borrowings from bank	8,366.91	11,542.75
	8,366.91	**11,542.75**

Interest rate swap contracts

The Company is exposed to interest rate risk on financial liabilities such as borrowings, both short-term and long-term. Such interest rate risk is actively evaluated and interest rate swap is taken whenever considered necessary

Under interest rate swap contracts, the Company agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Company to mitigate the risk of cash flow exposures on the variable rate borrowings. The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is the local interbank rate in the currency of the loan. The Company will settle the difference between the fixed and floating interest rate on a net basis."

34.4 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.

34.5 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.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

Note No. 34 - Related Party Listing and Balances: (Cond..)

34.5.1 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.

(₹ in Million)

Financial Liabilities	Due within (years)						Total	Carrying Amount
	1	1 to 2	2 to 3	3 to 4	4 to 5	beyond 5		
Bank & other borrowings								
– As on March 31, 2023	5,552.26	1,765.36	905.10	204.23	–	–	8,426.95	8,366.91
– As on March 31, 2022	5,667.86	3,062.73	1,870.96	893.67	204.23	–	11,699.45	11,542.75
Interest payable on borrowings								
– As on March 31, 2023	28.07	–	–	–	–	–	28.07	28.07
– As on March 31, 2022	32.20	–	–	–	–	–	32.20	32.20
Lease Liabilities								
– As on March 31, 2023	85.82	98.80	98.09	7.43	7.88	58.27	356.29	275.29
– As on March 31, 2022	74.74	78.48	93.28	91.07	–	–	337.57	272.20
Trade and other payable								
– As on March 31, 2023	2,885.67	–	–	–	–	–	2,885.67	2,885.67
– As on March 31, 2022	2,120.67	–	–	–	–	–	2,120.67	2,120.67

Note 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 year ended 31st March 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 Ltd	101.58%	8,168.26	91.65%	(7,330.08)	22.76%	4.75	91.83%	(7,325.33)
Biolexis Pte Limited	-1.46%	(117.06)	8.22%	(657.79)	77.24%	16.12	8.04%	(641.67)
Biolexis Private Ltd	-0.13%	(10.33)	0.13%	(10.43)	0.00%	–	0.13%	(10.43)
	100%	**8,040.87**	**100%**	**(7,998.30)**	**100%**	**20.87**	**100%**	**(7,977.43)**

As on and for the year ended 31 March 2022

(₹ 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	93.79%	9,496.47	96.68%	(2,234.76)	13.26%	2.75	97.43%	(2,232.01)
Biolexis Pte Limited	6.20%	628.22	0.18%	(4.24)	84.67%	17.56	–0.58%	13.32
Stelis Biopharma LLC	0.00%	–	3.14%	(72.60)	2.07%	0.43	3.15%	(72.17)
Biolexis Private Limited	0.00%	0.10	0.00%	–	0.00%	–	0.00%	–
	100%	**10,124.79**	**100%**	**(2,311.60)**	**100%**	**20.74**	**100%**	**(2,290.86)**

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

Note No. 36 - Deferred tax asset :

The Company has significant brought forward tax loss and unabsorbed depreciation of ₹ 10,384.81 million (₹7,216.61 million March 31, 2022) as per latest Income tax return filed and 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 fixed assets and the written down value of such fixed assets under Income Tax. 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, 2023.

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 (Contract Development & Manufacturing Organization) and "Unit 3 : Vaccine facility and CDMO-2".

(i) Revenue from operations

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Unit 1 - R&D and Unit 2 : CDMO	23.60	28.57
Unit 3 : Multimodal facility	387.14	1,292.70
Total	**410.74**	**1,321.27**

(ii) Non-current assets*

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Unit 1 - R&D and Unit 2 : CDMO	10,145.62	11,038.80
Unit 3 : Multimodal facility	6,812.34	6,169.64
Unallocated Assets	745.78	1,993.42
Total	**17,703.74**	**19,201.86**

*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, 2023	For the year ended March 31, 2022
India	289.71	1,154.33
Outside India	121.03	166.94
Total	**410.74**	**1,321.27**

(ii) Non-current assets*

(₹ in Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
India	17,703.74	19,201.86
Total	**17,703.74**	**19,201.86**

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

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

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

(a) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property

(b) The Company does not have any transactions with companies struck off.

(c) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(d) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(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:

(i) 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

(ii) 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:

(i) 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

(ii) 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.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

Note No. 40 - Details of the employee share option plan of the Company: (Cond..)

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	7-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)

Particulars	As at 31 March, 2023	As at 31 March, 2022
Outstanding at the beginning of the year	–	–
Granted during the year	6,14,900	–
Lapsed/forfeited during the year	1,15,100	–
Vested during the year	–	–
Exercised during the year	–	–
Outstanding at end of the year	**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	7-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%

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

Note No. 41

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. 42 - Amendments effective from April 1, 2023 :

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to the Company from April 1, 2023.

i. Ind AS 101 – First time adoption of Ind AS

ii. Ind AS 102 – Share-based payment

iii. Ind AS 103 – Business Combinations

iv. Ind AS 107 – Financial Instruments: Disclosures

v. Ind AS 109 – Financial Instruments

vi. Ind AS 115 – Revenue from Contracts with Customers

vii. Ind AS 1 – Presentation of Financial Statements

viii. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

ix. Ind AS 12 – Income Taxes

x. Ind AS 34 – Interim Financial Reporting

The Company is in the process of evaluating the impact of the above amendments on the Company's financial statements.

Note No. 43 - Ratio Analysis

Ratio Analysis	As at March 31, 2023	As at March 31, 2022	Change	Ratios have a variance of >25% due to
Current Ratio - in times (A) / (B)	**0.26**	**0.63**	**-58%**	Reduction is due to provisioning of Inventory related to Unit 3
Current Assets (A)	2,284.04	5,110.97		
Current Liabilities (B)	8,652.15	8,086.92		
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				
Debt-Equity Ratio - in times (C) / (D)	**1.10**	**1.17**	**-6%**	Variance <25% and hence not applicable
Debt (C)	8,642.20	11,814.95		
Equity (D)	7,854.53	10,124.79		
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.				
Debt Service Coverage Ratio - in times (E) / ((F) + (G))				The Company is in losses and hence the debt service coverage ratio is not applicable

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

Note No. 43 - Ratio Analysis (Cond..)

Ratio Analysis	As at March 31, 2023	As at March 31, 2022	Change	Ratios have a variance of >25% due to
"Earnings before interest,taxes, depreciation and amortisation is defined as:				
Profit for the 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 year				
Interest payments is defined as actual interest paid on borrowings during the year				
Return on Equity ratio (Tangible) (H) / (I)	**-101.83%**	**-17.42%**	**485%**	
Net profit (H)	(7,998.30)	(2,311.60)		
Equity (I)	7,854.53	10,124.79		
Net profit is defined as Profit for the year after tax				
Equity is defined as Equity share capital and Other equity.				
Inventory turnover ratio (K) / (L)	**0.12**	**0.32**	**-63%**	Decrease is due to written-off Inventory related to Sputink vaccine and reduction in CDMO revenue.
Cost of goods sold (K)	246.22	454.40		
Average Inventory (L)	2,043.18	1,401.87		
Cost of goods sold is defined as Cost of materials consumed, Purchases of stock-in-trade and Changes in inventories of finished goods and work-in-progress				
Average Inventory is defined as average of inventories as at the beginning and as at the end of the year.				
Trade receivables turnover ratio (M) / (N)	**2.99**	**10.22**	**-71%**	Decrease is due to reduction in CDMO revenue from FY22.
Sales Turnover (M)	410.74	1,321.27		
Average Trade receivables (N)	137.33	129.33		
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 year.				
Trade payables turnover ratio (O) / (P)	**0.31**	**0.86**	**-64%**	Decrease is due to decrease in Unit-3 sputnik vaccine related inventories and decrease in the CDMO business.
Cost of goods sold (O)	246.22	454.40		
Average Trade payables (P)	785.44	526.84		
Cost of goods sold is defined as Cost of materials consumed, Purchases of stock-in-trade and Changes in inventories of finished goods and work-in-progress				
Average Trade payables is defined as average of Trade payables as at the beginning and as at the end of the year.				
Net capital turnover ratio (Q) / (R)	**(0.06)**	**(0.44)**	**-85%**	Decrease is due to reduction in CDMO revenue from FY22.
Sales Turnover (Q)	410.74	1,321.27		
Working Capital (R)	-6,368.11	-2,975.95		
Net profit ratio (S) / (T)	**-1748.64%**	**-170.10%**	**928%**	Decrease is due to reduction in CDMO revenue in comparison with FY22 and increase in exceptional losses.
Net profit (S)	(7,998.30)	(2,311.60)		
Gross Revenue (T)	457.40	1,358.97		
Return on capital employed (U) / (V)	**-41.16%**	**-7.44%**	**454%**	Increase in loss due to exceptional items loss towards provision on sputnik inventory, intangible under development, doubtful advance and others
Earnings Before Interest and Taxes (U)	(6,790.67)	(1,631.34)		
Capital Employed (V)	16,496.73	21,939.74		

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2023

Note No. 44

The previous year's figures have been re-grouped/reclassified, where necessary to confirm to current year's classification.

Note No. 45 - Approval of financial statements

The Company's financial statements are approved for issue by the board of directors on July 28, 2023.

For and on behalf of Board of Directors

P R Kannan
CFO & Executive Director
DIN : 03435209

Arun Kumar
Non- Executive Director
DIN: 00084845

Allada Trisha
Company Secretary
Membership Number: A47635

Place : Bengaluru
Date : July 28, 2023

NOTICE OF THE 16th ANNUAL GENERAL MEETING

Notice is hereby given that the Sixteenth Annual General Meeting ('AGM') of the Shareholders of the Company will be held on **Friday, August 25, 2023 from 17:30 hours IST** 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, 2023

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023 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, 2023

To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023 together with the Reports of the Board of Directors and the Auditors thereon.

Item 3: Appointment of a Director in place of Mr. Mahadevan Narayanamoni (DIN: 07128788) who retires by rotation and being eligible, offers himself for re-appointment

Mr. Mahadevan Narayanamoni (DIN: 07128788), who retires by rotation and being eligible, offers himself for re-appointment as a Non-Executive Director of the Company.

SPECIAL BUSINESS:

Item 4: - Appointment of Dr. Gopakumar Gopalan Nair as an Independent Director of the Company

To consider and if thought fit, to pass the following resolution as a Special Resolution:

RESOLVED that pursuant to the provisions of Sections 149, 150, 152, 161, Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Rules framed thereunder, [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], and Articles of Association of the Company, approval of the Board of Directors of the Company, Dr. Gopakumar Gopalan Nair (DIN: 00092637), who was appointed as an Additional Director in the capacity of an Independent Director with effect from May 04, 2023, who meets the criteria for independence under Section 149(6) of the Act and the Rules made thereunder and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) years with effect from May 04, 2023, and that she shall not be 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 5: - Appointment of Ms. Rajashri Santosh Kumar Ojha as an Independent Director of the Company

To consider and if thought fit, to pass the following resolution as a Special Resolution:

RESOLVED that pursuant to the provisions of Sections 149, 150, 152, 161, Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Rules framed thereunder, [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], and Articles of Association of the Company, approval of the Board of Directors of the Company, Ms. Rajashri Santosh Kumar Ojha (DIN: 07058128), who was appointed as an Additional Director in the capacity of an Independent Director with effect from May 04, 2023, who meets the criteria for independence under Section 149(6) of the Act and the Rules made thereunder and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) years with effect from May 04, 2023, and that she shall not be 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 2022-23 and FY 2023-24

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. 200,000/- Lakhs (Rupees Two Lakhs only) plus applicable taxes and reimbursement of out-of-pocket expenses, if any, for the financial year FY 2022- 2023 and FY 2023-24, 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 2022- 2023 and FY 2023-24.

RESOLVED FURTHER that that Mr. P R Kannan, Executive Director (DIN: 03435209) and CFO of the Company or Mr. Arun Kumar, Non-executive Director (DIN: 00084845) 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 **Stelis Biopharma Limited**
Sd/-
Trisha A
Company Secretary

Place: Bangalore
Date: July 28, 2023

Notes:

a) Pursuant to the General Circular No. 10/2022 dated December 28, 2022, 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@stelis.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/85847833976?pwd=NDJGY0I5MVlGOWdPSVcrdEtiZC92UT09

Meeting ID: 858 4783 3976

Passcode: 388909

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 25, 2023 from 17:30 hours IST and should be taken as forming part of the Notice.

Item 4: - Appointment of Dr. Gopakumar Gopalan Nair as an Independent Director of the Company

Pursuant to Section 161 of the Companies Act, 2013, the Board, on May 04, 2023, appointed Dr. Gopakumar Gopalan Nair as an Additional Director in the capacity of Independent Director of the Company for a term of 5 (five) years with effect from May 04, 2023 subject to the approval of the shareholders through a special resolution.

The Company has received the following from Dr. Gopakumar Nair:

(i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 ("the Appointment Rules")

(ii) Intimation in Form DIR-8 in terms of the Appointment Rules to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act

(iii) A declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act

Also, Dr. Nair has also been appointed as the Chairperson of the Audit and Risk Management Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee.

In accordance with Section 161(1) of the Companies Act, 2013, Dr. Nair holds office as an Additional Director up to the date of the Annual General Meeting of the Company.

About Dr. Gopakumar Nair:

Dr. Gopakumar Nair, aged 81 years, has over 40 years' experience in Pharma Industry as Director, Managing Director & Chairman of various public limited pharma companies.

Dr. Nair 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. And is also an Editor and Editorial Board Member of various publications and journals, relating to pharma, biotech and chemicals, including IDMA Bulletin and INDIAN DRUGS.

In the field of Intellectual Properties, Dr. Nair was the Dean of Institute of Intellectual Property Studies (IIPS) at Hyderabad, India. Presently he heads his own IP boutique firm, Gopakumar Nair Associates and is also CEO of Patent Gurukul, reputed and well-known training centre for Patents.

Dr. Nair is a registered Patent & Trademark Agent and also Scientific Adviser to the Patent Office under Rule 103 of the Patents Rules, 2003.

He is also associated with various Educational Institutions such as President, Bharat Education Society, with schools & colleges under its ambit. Dr. Nair is a founder of CIPROM (Centre for Intellectual Property Management) of which he is presently the Hon. Chairman.

Members are further apprised that his active involvement in various sectors and his extensive experience of serving on the diversified boards and expertise would immensely benefit the Company.

The resolution seeks the approval of members for the appointment of Dr. Gopakumar Nair as an Independent Director of the Company for a term of 5 (five) years effective May 04, 2023 pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder including any statutory modification(s) or re-enactment(s) thereof) and she shall not be liable to retire by rotation.

In compliance with Section 149 read with Schedule IV to the Act the approval of the Members is sought for the appointment of Dr. Gopakumar Nair as an Independent Director of the Company, as a special resolution.

No director, KMP or their relatives except Dr. Gopakumar Nair, to whom the resolution relates, is interested in or concerned, financially or otherwise, in passing the proposed resolution set out in item no. 4.

The Board recommends the special resolution as set out in Item no. 4 of this notice for the approval of members.

Item 5 - Appointment of Ms. Rajashri Santosh Kumar Ojha as an Independent Director of the Company

Pursuant to Section 161 of the Companies Act, 2013, the Board, on May 04, 2023, appointed Ms. Rajashri Ojha as an Additional Director in the capacity of Independent Director of the Company for a term of 5 (five) years with effect from May 04, 2023 subject to the approval of the shareholders through a special resolution.

The Company has received the following from Ms. Rajashri Ojha:

(i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 ("the Appointment Rules")

(ii) Intimation in Form DIR-8 in terms of the Appointment Rules to the effect that she is not disqualified under sub-section (2) of Section 164 of the Act

(iii) A declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act.

Also, Ms. Rajshri has also been appointed as the Member of the Audit and Risk Management Committee and Nomination and Remuneration Committee.

In accordance with Section 161(1) of the Companies Act, 2013, Ms. Rajshri holds office as an Additional Director up to the date of the Annual General Meeting of the Company.

About Ms. Rajashri Ojha:

Ms. Rajshri, aged about 54 years, has over 33 years' of 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.

She has over 3 decades of rich experience working for leading organizations like RAAJ GPRAC, SPECTRUM Pharmatech, SYNERGY, UAE, COGNIZANT, FAMYCARE , NOVARTIS, GSK-TCS, GLENMARK, SANDOZ/ CIBA-Geigy, UNICHEM Laboratories and LOCAL FDA, Bandra. She Offers various industrial training programs and has Trained more than 25,500 candidates till now on various aspects of GLOBAL Regulatory Affairs.

Ms. Rajashri is also associated with many leading education institutes/colleges in India as a 'Guest faculty'. She is a Visiting faculty Adjunct Professor at JSS University, NIPER, IIHMR, KLE,BCP,JJTU, MET, IIPM, HKCP, VES, SIES, ICT, IICT, IIHMR, HKCP, BNCP, NMIMS etc.

Also, a member of IPA, DIA, IDMA, RAPS, TOPRA, OMICS, FIP, UBM, Global Compliance Panel, IMS, IBC, Alliance India and Chaired many scientific sessions organized for National and International Conferences.

Members are further apprised that her versatile experience in pharma industry and expertise would immensely benefit the Company.

The resolution seeks the approval of members for the appointment of Ms. Rajshri as an Independent Director of the Company for a term of 5 (five) years effective May 04, 2023 pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder including any statutory modification(s) or re-enactment(s) thereof) and she shall not be liable to retire by rotation.

In compliance with Section 149 read with Schedule IV to the Act the approval of the Members is sought for the appointment of Ms. Rajshri as an Independent Director of the Company, as a special resolution.

No director, KMP or their relatives except Ms. Rajashri, to whom the resolution relates, is interested in or concerned, financially or otherwise, in passing the proposed resolution set out in item no. 5.

The Board recommends the special resolution as set out in Item no. 5 of this notice for the approval of members.

Item 6: Remuneration payable to Mr. M. Ashok Kumar, Cost Auditors of the Company for FY 2022-23 and FY 2023-24

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, 2023 & March 31, 2024, at a remuneration of INR. 200,000/- Lakhs (Rupees Two Lakhs only) plus applicable taxes and out-of-pocket expenses, if any, for each of the aforesaid financial years, 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 **Stelis Biopharma Limited**
Trisha A
Company Secretary

Place: Bangalore
Date: July 28, 2023

Notes

Notes

Stelis
Biopharma

Stelis (Unit 1)

Plot # 293, Jigani Link Road
Bommasandra, Anekal Taluk Bangalore
– 560 105, Karnataka, India.

Stelis cGMP Manufacturing
Division (Unit 2)

Plot # 2-D 1, Obadenahalli,
Doddaballapura 3rd phase, Industrial
Area, Doddaballapura Taluk Bangalore
Rural District – 561 203,
Karnataka, India.

Stelis Biopharma Ltd. (Unit 3)

#68/A, 1st phase, Bommasandra
Industrial area, Bommasandra,
Bengaluru 560 099, Karnataka, India

Stelis
Biopharma

Gaining momentum

Scale | Expertise | Compliance

Stelis Biopharma Limited
Annual Report **2021-22**

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.

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www.stelis.com

Contents

Anchored on innovation, together with an unwavering focus on quality, expertise and integrity helped us establish ourselves as a leading global biopharmaceutical Contract Development and Manufacturing Organisation (CDMO), with a complete and integrated end-to-end offering.

We provide world-class process development and manufacturing infrastructure for both drug substance and drug product.

We continuously explore new and innovative ways to grow by adopting an integrated strategy, thus fostering inclusive growth and creating value for all stakeholders.

Our state-of-the-art facilities, spread over ~85,000 sqm of area houses process development laboratories, manufacturing areas for mammalian, microbial and other modalities, and rich scientific expertise, we are poised to unlock the next phase of growth.

Our highly automated facilities provide global services for products based on Monoclonal antibodies, Fusion proteins, Conjugation factors, Vaccines, Cell-free protein expression platforms, DNA adjuvants/plasmids, RNA products, Cell and gene therapy, and all other types of biologics, biosimilars and vaccines.

The demand for our services is growing significantly across global markets and we are addressing the expectations of our clients with speed and precision. As the most agile CDMO in the industry with 48,000L of drug substance capacities across multiple modalities, we are one of the largest players in the Asia-Pacific (APAC) region.

▶ With our agility in building capacities, increasing accuracy, efficiency and speed at every stage of process development and manufacturing processes, we are

Gaining momen**tum** to grow.

Introducing Stelis

Stelis is a fully integrated pure-play biologics CDMO Company, offering a complete spectrum of services across the value chain.

We provide the full range of services from cell line technology transfer to clinical and commercial manufacturing, including the ability to convert drug substance into stable formulations and fill and finish formats. We are poised to be among the leading biologics CDMO players in the world due to our scale and capacity. Our world-class cGMP manufacturing facilities in Bangalore, India, and proven expertise in microbial, mammalian and other technology platforms enable us to provide high-quality services for our customers.

Vision

Our vision is to be globally recognized as the most trusted and reliable biopharmaceutical CDMO.

Mission

Our mission is to reliably deliver our clients' biopharmaceutical programs on-time and in-full.

Values

Integrity

Operate with the highest degree of integrity and transparency without compromises. By integrity, we mean our people, products, and processes display integrity always.

Collaboration

Collaborate with team members and colleagues to deliver synergy and excellence in all activities, actions, and decisions, such that we deliver high customer advocacy.

Efficiency

Display entrepreneurial zeal towards work, render high-quality services and efficiently deliver safe and superior products.

Delivering complex products for global clients with speed

Increasing demand for biologics and specialty drugs

Increasing patent expirations of major drugs, the growing burden of chronic diseases and elevated global awareness of vaccines are leading to a surge in outsourcing of formulation development services.

Did you know?

The sensitivity of biological molecules to the microenvironment requires precision in manufacturing. Biologic molecules are sensitive to temperature and sheer exposure to oxygen, air-water interface, and many other factors. An experienced CDMO player minimizes exposure to an unfavourable environment.

The global pharmaceutical CDMO market was $160.12 billion in 2020 and is expected to reach $236.61 billion by 2026[1] as challenges mount to manufacture complex compounds, avoid poor solubility and ensure dual-release profiles.

To reduce product development timeline and optimize costs more and more companies opt to partner with CDMOs. Much of this activity occurs in different phases of development to reap time and cost benefits.

$236.61 billion

The expected market value of CDMO by 2026

[1] "Pharmaceutical Contract Development and Manufacturing Organization (CDMO) Market - Growth, Trends, COVID-19 Impact, and Forecasts (2021-2026)" by Research and markets.com

Innovative solutions

Our versatile delivery models and integrated technologies, cover all new compounds with different challenging properties. Our offerings and infrastructure continue to generate innovative solutions for leading pharmaceutical companies.

Process development and technology transfer

We provide services ranging from clone selection and characterization to process development, analytical, and bioassay development across various platforms and modalities as a trusted and reliable CDMO partner. Our strong technical expertise, combined with highly capable technologies, aids in the acceleration of our clients' programs while maintaining significant flexibility and a competitive cost structure.

cGMP manufacturing

Using systems with single-use components and flow paths ensures regulatory compliance, cGMP compliance and increased operational flexibility, allowing us to provide a cost-effective proposition for your biologics' clinical or commercial supplies.

Quality management system

Quality is essential to our operations, we develop and manufacture products that meet our clients' expectations while adhering to the highest global regulatory standards.

Message from Founder

"The year brought in a series of milestones for Stelis as we added new clients, onboarded new programs, and scaled up operations"

Dear Shareholders,

The last year was a test of resilience for businesses across the globe. For Stelis, FY22 marked our first full year of operations for the CDMO business, and I am pleased to share that we have made considerable progress during the year. The year brought in a series of milestones for Stelis as we added new clients, onboarded new programs, and scaled up operations from our three state-of-the-art manufacturing facilities.

The pandemic has revealed the salience of the biotechnology and the pharma industry along with its weaknesses in terms of supply chains. While biologics production capacity demand is predicted to nearly double from 30 metric tonnes in 2020 to 60 metric tonnes in 2024, COVID and other variables pointed to supply chain weaknesses in the pharmaceutical industry, and most businesses are concentrating on building alternate manufacturing locations to strengthen resilience. At the same time, biotech companies are looking towards CDMOs to access specialist technologies, minimize upfront capital expenditures, and retain the freedom to hire the best contractor for the project. Companies with sufficient internal capabilities also employ CDMOs to cater to the ever-increasing demand.

Stelis is evolving

What began as a Strides subsidiary has evolved into a fully integrated pure-play biopharmaceutical business with comprehensive capabilities in the development, scale-up, and commercialization of biologics, bio betters, biosimilars, and vaccines. Stelis now runs two separate businesses: a worldwide pure-play biological CDMO and a product division with a pipeline of biosimilars and vaccines. With 56,000L of bioreactor capacity, Stelis has positioned itself among the global leaders and is today one amongst the highest capacity CDMO in the APAC region. The CDMO company has begun to generate revenues that are approaching operational breakeven; however, Stelis will achieve cash break even after ramping up income from phase 2 investments in which we have built one of the most extensive single-use bioreactor manufacturing capabilities. Stelis has approximately $300 million in capital as of March 31, 2022, with $225 million committed as equity from the promoters and marquee investors.

During the year, we got considerable new orders for the drug product plant, and demand for cartridges, high-speed vial fill-finish, and lyophilized vials remains strong. Furthermore, through the Manufacturing Services Agreement (MSA), which is the pre-revenue component of the CDMO contract, we generated ₹ 1,321.27 million in revenues. The MSAs are the first part of the CDMO contract, which typically includes the technology transfer, process development, process scale, and execution of Performance Qualification (PPQ) batches. It consists of the base work required for securing the regulatory approval and, consequently, contract for commercial manufacturing. A standard MSA project has a revenue size of ₹ 80-160 million for drug products and ₹ 320-400 million for drug substances.

Our MSAs of ₹ 1,321.27 million in FY22 will drive a secured commercial services agreement (CSA) of ₹ 6,762 million starting FY24. The CSA is the second part of the CDMO contract that includes the value of the business, which is secured through the commercial supplies of the products developed for the partner under the MSA. Typically, the duration of CSA would be 3-5 years and is secured by capacity commitment ensuring annuity of revenues. We are confident that with more MSAs translating into CSAs, Stelis could scale up its business significantly, resulting in high profitability with the marginal cost increase. While Stelis recorded a negative EBITDA in the year under review, the company achieved a positive EBITDA after adjusting for unabsorbed expenditures. The FY22 performance was hampered by high unutilized facility expenses, as the operating costs included the cost of the new facility, which does not yet generate commercial income.

Future Strategy

Besides the large-scale capacity and experience, our growth aspirations are founded upon our highly talented scientific and technical cross-functional teams with diverse and deep experience in biopharmaceutical development and manufacturing, supplemented by our experienced leadership and regulatory team, enabling us to implement exceedingly complicated scientific programs while maintaining the highest global quality standards, which is in line with our holistic and a systematic approach to building and sustaining Quality Culture. We have also started building capabilities in business development to expand our outreach, and we remain committed to our vision to be recognized internationally as the most trusted and dependable biopharmaceutical CDMO.

With the phase 1 strategy fructifying to plan, Stelis has initiated a Phase 2 growth and expansion strategy and will leverage its position as the Global leader with biotech capacity.

We are now poised to build a robust business with high margins & promising returns and we look forward to continue creating value for our internal and external stakeholders and serving the larger community through the company's sustainable growth.

I hope for a more decisive outcome this year!

Arun Kumar
Founder

Q&A with CFO

Q Can you summarise the journey of Stelis so far, particularly highlighting the year under review?

A Well, what started initially as a biopharmaceutical division of Strides Pharma Science Limited, today, we are proud to call ourselves a young biopharmaceutical Contract Development and Manufacturing Organization (CDMO) with an integrated end-to-end offering and state-of-the-art manufacturing facilities based in India. In a very short span of time, we have built robust capabilities in developing and manufacturing drug substances and drug products and are ready to onboard multiple customers.

If I have to talk about the year under review particularly, it has been an exciting year for us. With significant improvement in our technical skills, we received sizeable new orders for our new drug product facility, especially for cartridges, high-speed vial fill-finish and lyophilized vials. This resulted in strong order book value with above-average realizations. Further, during the year under review, we received our first order of 50 million doses of the Sputnik light vaccine to be exported. We also received the NOC from the Government of India towards the same. However, due to the current geopolitical issues, we are facing challenges in exporting the already manufactured doses of Sputnik. The Management will assess the business situation and decide on the slow-moving inventory in the coming year.

In our business, it is vital to maintain the highest level of compliance and have regulatory approvals. To this end, we were successfully audited by EMA and we have inspections scheduled for USFDA and TGA, amongst others. Our highly experienced quality and regulatory team, in collaboration with other partners, ensure to design our facilities in such a way that meets the highest global quality standards.

Q What are the compelling growth opportunities that you are eyeing?

A The recent pandemic has highlighted the strengths and weaknesses of the pharma industry and pharma supply chains across the globe. As a result, companies across the globe re-looked at their supply chain and streamlined the processes. To meet the rising demand, alongside expanding internal capabilities, companies are outsourcing a portion of their existing and future pipeline to CDMOs like us. This gives them access to specialized technology, avoids upfront capex and retains the flexibility of employing the best contractor for the project. Additionally, the estimated capacity shortfall for new reactor capacity in biologics is expected at 5 million litres giving companies like us immense opportunity to grow and expand.

Further, the Government of India's thrush towards making India a manufacturing hub and attracting Foreign Direct Investment (FDI) has been playing to our advantage. In CY 2021, India attracted a US$ 343.64 million FDI equity inflow in R&D which is 516% higher than CY 2020.

In line with increasing opportunities, we have invested over US$ 250 million across building capabilities and state-of-the-art facilities with ~900,000 square feet of process development and manufacturing space across all modalities. Today, we have one of the highest CDMO capacities in APAC, with highly talented scientific and technical cross-functional teams with diverse and deep experience in biopharmaceutical development and manufacturing. With this, we are optimistic about capturing the growing opportunities and competing with other CDMOs in the international market.

Q How are you embracing disruptive technologies and utilizing them in your operations to further strengthen them?

A At Stelis, we are using disruptive technologies and platforms to the best of our advantage. On the manufacturing front, we have developed a robust set of platform-based Physico-chemical and bioassay methods for efficient process and product characterization. We have also successfully transferred and executed analytical methods for releasing viral vector-based drug substances. This has enabled us to achieve the highest yields in the whole industry for a viral-vector product, i.e., we achieved an average yield of 1,600 doses per litre. At the backend and operations level, we are working on streamlining our operations by implementing an ERP system. We are constantly looking to embrace newer technologies and upgrade existing infrastructure to improve our processes overall efficiency.

Q Can you throw some light on your way ahead and future plans?

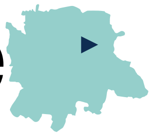
A Within one year, we have been able to scale our revenue from zero to ₹ 1,321.27 million, securing a commercial sales value of over US$ 85 million. We intend to keep up with this growth momentum and scale our operations to newer heights yearly. After successful completion of phase 1 of our strategic plan, we are now in the stage of onboarding multiple large customers with end-to-end offerings. We expect to improve our order book through customer acquisitions in the next financial year. Currently, our Manufacturing Services Agreement (MSA) to Commercial Sales Agreement (CSA) ratio is 4.5x. With more MSAs translating into CSAs, we expect to gain more business from the CSAs and we are well-positioned to scale up our business to address those needs. We have positioned ourselves among the Global leaders with 56,000 litres of bioreactor capacity. And we are suitably placed on building a sustainable business with high margins and promising returns in the long run.

PR Kannan
Executive Director & CFO

Deep expertise in process development and manufacturing

Our team has deep expertise in product and process development and manufacturing with comprehensive capabilities from cell line and process development through to scale up, cGMP manufacturing, and fill/finish of proteins and peptides.

Unit one



BANGALORE

State-of-the-art process and analytical development facilities for small-scale early and late-stage development studies of drug substances and drug products and initial technology transfer activities across multiple modalities.

5 Litres

Microbial upstream and downstream process scale-up studies

50 Litres

Mammalian upstream and downstream process scale-up studies

Capabilities

Mammalian and Microbial:

MSAT, end-to-end PD, and small-scale cGMP clinical and commercial manufacturing supported with drug product and quality control infrastructure. The unit's process development capabilities for developing biologics comprise comprehensive analytical and bioassay development and validation. The scale-up lab facility helps convert drug substances to stable formulations and fill-finish formats. The unit is flexible for single-use or multi-use depending on process requirements.

Unit two

BANGALORE

Integrated state-of-the-art manufacturing facility leverages microbial and mammalian platforms for the development and commercial manufacturing of biologics in multiple fill-finish formats.

Capabilities

Mammalian and Microbial

Manufacturing Science and Technology (MSAT), cGMP clinical and commercial manufacturing supported with drug product and quality control infrastructure for all sterile formats. Our highly automated cGMP compliant facilities offer process development through clinical and commercial manufacturing at various flexible scales to fit the individual client and product requirements.

Drug substance manufacturing capacities

Microbial facility

- 1 X 1000L stainless steel fermenter
- Homogenizer (GEA) and centrifuge (GEA) integrated with fermenters
- Capable of handling bacterial and yeast strains
- Flameproof area with a high-pressure chromatography system
- Filtration: viral filtration, ultrafiltration and diafiltration

- Dedicated area for conjugation, bulk filtration & lyophilisation

Mammalian facility

- 4 X 2000L bioreactors
- Single-use bags-based drug substance manufacture
- Dedicated pre-culture suites, media & buffer preparation rooms
- Controlled freeze and thaw system
- Production, testing and storage of master and working cell banks
- Filtration: viral filtration, ultrafiltration and diafiltration

40 million
Cartridges

28 million
Pre-filled syringes

70 million
Vials (liquid and lyophilised)

Unit three

BANGALORE

A multipurpose facility with an ability to cater to multiple products across modalities.

As a full-service CDMO player and the go-to partner for global biopharmaceutical companies, we excel in process development across modalities, scale-up and manufacturing of biologics and sterile injectables. The state-of-the-art Unit 3 facilitates end-to-end biopharmaceutical manufacturing and is completely separated from the other two facilities to eliminate any cross-contamination.

By leveraging our world-class infrastructure and manufacturing capabilities, our technical specialists emphasize on developing and supplying vaccines for a broad range of infectious diseases. The scientifically sound and knowledgeable team of Stelis has successfully developed the world's first plasmid DNA vaccine used for COVID-19 (ZyCoV-D), Etanercept and Rubella vaccines.

Capabilities

Multi-Modality platform

Designed to support MSAT, cGMP clinical and commercial manufacturing ensuring flexibility along with high-speed fill-finish capabilities. Our Unit 3 facility is designed to support the entire product lifecycle of various drug substances and drug products ensuring compliance with the strict pharmaceutical regulations required for cGMP manufacturing. The facility is equipped with formulation development backed by secondary and tertiary packaging, cold chain inventory management and robust finished goods dispatch framework.

4L, 20L, and 100L
Process development capacity-upstream and downstream

10 X 200 L
Process scale-up

20 X 2000 L
Process validation & commercialisation

400 million
Vials (liquid and lyophilised)

Leveraging an effective quality management system

Maintaining quality standards is critical to our business and customer advocacy and we are committed to delivering products to the market on time and within client's budget

We are committed to maintaining an effective quality management system (QMS) modeled around United States Food and Drug Administration (USFDA) 6-systems which complies with the International Council for Harmonisation (ICH) guidance, Indian Regulations, European Union Goods Manufacturing Practice (EU GMP) guidance, USFDA , International Society for Pharmaceutical Engineering (ISPE) and Parenteral Drug Association (PDA) guidance and current industry standards.

The process involves routine facility contamination controls backed by utilities like environment monitoring activities that involve active air sampling, passive monitoring by settle plate and surface monitoring for classified areas.

150+

Members in the Quality Team

The team ensures comprehensive monitoring of all in-process product quality parameters, drug substance and drug product release testing. Even the packaging line is fully automated enabling visual inspection of the entire process.

Our commercial model

Sustainable commercial model helps in creating value of all our stakeholder

Revenue model

Manufacturing Service Agreements (MSA)

It's the first part of CDMO contract which included technology transfer, process development, process sale and execution of performance Qualification (PPQ) batches

Commercial Sales Agreements (CSA)

This is the second part of CDMO contract which includes the value of business which secured through commercial supplies of the products which are developed for the partner under the MSA.

Commercial supplies of integrated DS and DP

Mammalian Drug Substance (DS)

Microbial Drug Substance (DS)

Drug Product (DP) Fill finish

Well Poised for Growth

Biologics development on the rise

The share of biopharmaceutical products is projected to grow from 30% in 2020 to 34% in 2024. 85% of these new products will be produced in mammalian cell cultures and antibodies. This increasing share of biopharmaceutical products pose as a significant opportunity for emerging players.

Demand-supply mismatch

Biologics manufacturing capacity demand is expected to nearly double from 30 metric tonnes in 2020 to 60 metric tonnes in 2024. The estimated capacity shortfall for new biologics reactor capacity is 5 million litres. The shortfall presents an opportunity for the company to expand customer base.

Increasing percentage of virtual biotech Companies

The proportion of biological products in the pipeline supported by virtual biopharma is rising. Virtual Biotech firms prefer CDMOs to gain access to specialized technology, avoid upfront capital expenditures and retain the flexibility to hire the best contractor for the project.

Strengthening our supply chain

The pandemic has highlighted the pharma industry's weakness in the supply chain. Many companies are focusing on expanding to alternate manufacturing locations to improve supply chain resilience. Many of these companies would outsource the manufacturing of existing and future pipelines to CDMOs, which will create growth opportunities for these companies.

Strengths that help us stay ahead

State-of-the-art facilities

Our three modern-day facilities across 85,000 square meters with process development laboratories, scale-up and manufacturing expertise for mammalian, microbial and other modalities position us as the leading biopharma company. All the facilities are equipped with the latest and most efficient technology to provide services for products based on Monoclonal antibodies, Fusion proteins, Conjugation factors, Vaccines, Cell-free protein expression platforms, DNA adjuvants/plasmids, RNA products, Cell and gene therapy and all other types of biologics, biosimilars and vaccines and more. Our agility in increasing accuracy, efficiency and speed at each stage of process development and manufacturing processes is unrivalled.

Technical Acumen

Our delivery principles are based on quality and efficiency. Our highly talented scientific and technical teams work hard to accomplish program outcomes as swiftly as possible, bringing the asset to market sooner. Our leadership team recognizes importance of delivering highly complex scientific programs on time for our clients who rely on us.

Quality

We at Stelis have highly experienced personnel specializing in quality and regulatory activities. The highly skilled workforce helps us reach the highest quality standard, ensuring compliance and guiding our clients through the regulatory approval process. Our large-scale commercial use facilities are designed with a holistic and systematic approach to building and sustaining the 'Stelis Quality Culture,' with the consultation from international regulatory agencies, including the USFDA.

Accelerating momentum responsibly

ENVIRONMENT

Stelis understands that environmental issues are global in scope and can pose long-term concerns for future generations. As a responsible biopharmaceutical company, we value human life and biodiversity and strive for long-term development by implementing sound business practices that promote environmental preservation while also developing economic metrics.

Stelis is focusing on developing sustainable technologies that will reduce the Company's environmental impact. We are constantly identifying environmental factors and taking the necessary steps to become more energy-efficient, manage waste, conserve water and reduce our carbon footprint.

16,459 MW
Energy consumed

46%
Energy sourced from renewable sources

Zero liquid discharge

To clean and recycle wastewater without wasting it, we use a zero-liquid discharge system throughout our manufacturing facilities. Our ZSD system consists of the biological treatment plant, recycle plant and Multiple Effect Evaporator (MEE). We embraced the 4R philosophy (Reduction, Recycle, Recovery, and Reuse) and we reuse treatment water in the boiler and other utilities.

86%
Water recycled

66,707 KLD
Water consumed

Waste management

We strive to reduce waste generated from our operations and optimise the hazardous waste generated from our products. We have continuously scaled up our waste management practices by reducing generation quantities and directing waste to authorized treatment, storage and disposal facilities. To reduce the amount of waste disposed we have increased recycling and co-processing.

8%
Waste recycled

53,630 Kgs
Waste generated

SOCIAL

Stelis Biopharma aspires to be an organization that makes significant contributions to society and values individual dignity above all else. We embrace a system that stimulates creativity, collaboration, experimentation and opportunities to innovate as a science-driven company. We provide avenues to help our employees achieve their individual career goals.

85
Training programs conducted

11%
Women Employees

Safety

We believe in promoting a safe work environment. All necessary effort is made to ensure the safety of employees and our workers. With the focus on improving our EHS performance, we have well-integrated Environment, health and safety (EHS) system in place to ensure safety of employees and workers and their surroundings.

2,916
Training Man Hours

24
Safety audits

Our EHS training includes

- Chemical safety
- Biosafety
- Emergency preparedness and response
- Behavior based safety
- Work permit system
- Waste management
- Process Hazard analysis
- Selection of the right PPE

Green belt

In our solvent drum storage area we have created Miyawaki forest and planted 1500 tree saplings of native species.

GOVERNANCE

The laws, procedures, practises and implicit rules that govern a company's ability to make sound decisions in relation to all of its stakeholders, particularly its shareholders, creditors, employees and the Government, essentially form corporate governance.

At Stelis, our Board of Directors ensure, the establishment of a governance structure and the implementation of policies and procedures that adhere to global best practises. The Board advises the leadership team on all critical issues, including value creation, equitable treatment, policy compliance and adhering to our commitment to ethics and values.

Our leaders rely on transparency, accountability and ethical behaviour to fortify relationships with internal and external stakeholders thereby laying the groundwork for a long-term organisation. We draw strength from our workforce's multifaceted diversity across region, grade, education, age, ethnicity, experience and gender.

Awards and recognition

Management commitment and great team work allows us to reach the heights of excellence and perform the extraordinary. We at Stelis are committed for continuous improvement and achieved various millstones in the area of Environment, Health and Safety (EHS). As a success story, during FY 22 we have received two awards.

“Utthama Suraksha Puraskara “ from National Safety Council Karnataka chapter.

Safety Award from Government of Karnataka, Department of factories and Boiler’s for implementation of Best safety practices in lieu of National Safety Day, 4th March 2022.

Profile of Board of Directors

Aditya Puri

Non-Executive Director & Chairperson

Former MD of HDFC Bank, India's largest private sector bank. He was the longest serving head of any private bank in the country. India Today ranked him at #24 in India's 50 Most Powerful People of 2017 list. He is a Chartered Accountant from the Institute of Chartered Accountants of India and has many awards and accolades to his credit.

Arun Kumar

Founder & 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.

AK Viswanathan

Independent Director

A former Partner at Deloitte with 22 years career experience, predominantly spent in Canada serving large North American clients. Having an overall experience of 38 years in building and coaching high-performance teams across multiple geographies. Vis is the Managing Director at Nexdigm Private Limited.

Vineeta Rai

Independent Director

Former IAS officer and the first woman to hold the post of Revenue Secretary, Ministry of Finance. She had also held different positions in the Ministry of Urban Development, Ministry of Health & Family Welfare and Ministry of Home Affairs in the Union Government. She was voted one of 25 Most Powerful Women in Business in India in 2004.

Profile of Board of Directors

Ankur Thadani

Non-Executive Director

Partner at TPG Growth. He has worked on investments in multiple sectors, including healthcare, energy and consumer sectors across India and the broader outh-Asia region. He also serves on the Boards of Cancer Treatment Services International, Rhea Healthcare and Sutures India.

Mahadevan Narayanamoni

Non-executive Director

Senior Advisor, TPG Capital, Former Advisory Leader, Grant Thornton. He has significant experience in private equity, mergers and acquisitions, valuations, healthcare, medical devices, life sciences, business improvement and capital markets.

PR Kannan

Executive Director & CFO

With 20+ years of experience in the finance, strategy, taxation and M&A. He has been with the Group for over a decade and was earlier the CFO for SeQuent Scientific Limited. He is credited to have led SeQuent towards sustainable growth and deliver significant stakeholder value.

Corporate Information

Board of Directors

Aditya Puri - Non-Executive Director & Chairperson
Vineeta Rai - Independent Director
AK Viswanathan - Independent Director
Arun Kumar - Non-Executive Director
Ankur Nand Thadani - Non-Executive Director
Mahadevan Narayanamoni - Non-Executive Director
PR Kannan - Executive Director & CFO

Chief Financial Officer

PR Kannan

Company Secretary

Puja Aggarwal

Statutory Auditors

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

Registered Office

Plot # 293, Jigani Link Road
Bommasandra, Anekal Taluk
Bangalore – 560 105, India
Ph no: +91 80 6784 0444

Corporate Office

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

Management discussion and analysis

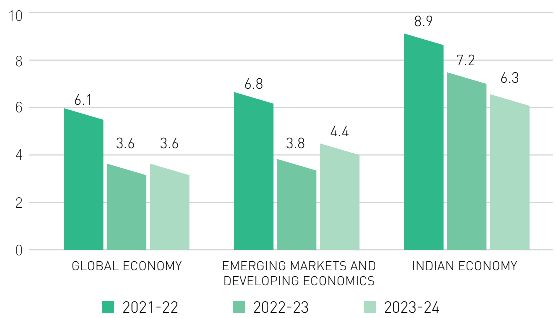
Global economy

According to the IMF (April 2022 World Economic Outlook), global economic output has witnessed a growth of 6.1% in CY2021. Rapid vaccination rollouts in advanced nations have benefited global economic growth while reducing healthcare costs. [1]However, the global economic recovery faces challenges amid continued Covid-19 flare-ups, diminished fiscal support and constant supply bottlenecks. Even though output and investment in advanced economies are expected to return to pre-pandemic levels, they are expected to remain moderate in the emerging market and developing economies (EMDEs) due to lower vaccination rates, tighter fiscal and monetary policies and the pandemic's long-term scarring. Inflation continued to rise throughout the second half of CY21, driven by fluctuations in fuel prices, energy expenses, and inflation.

The EMDE has witnessed a growth of 6.5% in 2021. Interest rates are projected to rise as central banks tighten their policies to combat inflation caused by geopolitical uncertainties, supply chain disruptions, high input costs and rising oil prices. Scarring impacts are projected in EMDEs due to limited policy support and a slower vaccination rate[2]. But gradual improvements have also been witnessed in EMDEs like India. India's economic growth is projected to rise to 8.9% in FY22. Meanwhile, as a consequence of rising oil prices, increased input costs and supply chain disruptions, retail inflation has been gradually growing. But India is at a crossroads in its development. The country's economic development is predicted to be fuelled by the RBI's monetary policies and several government initiatives like Product Linked Incentives (PLI), the National Monetisation Plan (NMP), etc.[3]

Global growth is estimated to be 3.6% in CY22 and CY23 as the unwinding of pent-up demand only cushions a pronounced withdrawal of fiscal policy support. As pent-up demand depletes, growth is likely to fall further to 3.3 percent over the medium term. A robust rebound is projected for investment based on sustained aggregate demand and broadly favorable financing conditions. The growth for EMDEs is expected to be 3.8% in 2022. While, India's growth is expected to be 7.2% in FY23 and 6.3% in FY24, owing to increased vaccination coverage, robust credit growth, increasing investment opportunities, and the government's focus on balancing growth and inflation.[4]

Economic Outlook Projections



Source: IMF Economic Outlook April 2022

Industry overview

The global pharmaceutical industry was valued at $1454.66 billion in 2021. It is expected to grow at 9.1% to a value of $1587.05 and the value of $2135.18 billion at a CAGR of 7.7%. The share of biopharmaceutical products is expected to grow from 30% in 2020 to 34% by 2024.

The global biotechnology industry is expected to reach USD 1,683.52 billion by 2030, growing from $ 793.87 billion in 2021, with a compound annual growth rate (CAGR) of 8.7% from 2022 to 2030. The increasing share of biologics products in the pipeline across stages is around 43%. The demand for biologics manufacturing capacity is expected to double from 30 metric tons in 2020 to 60 metric tons in 2024. The key driving factor of the global biotechnology market is the expanding government efforts and support to stimulate the expansion of the biotechnology industry. The rising prevalence of numerous chronic illnesses has spurred biotech's adoption in medication research and development. Furthermore, increased biotechnology use in multiple end-use verticals such as medicines, industries, informatics, and agriculture is propelling the global biotechnology market's growth[6].

The Global pharmaceutical CDMO market size is projected to reach $ 236.61 billion by 2026. The CDMO business has started generating revenues nearing the operational break even. The Fully integrated CDMO, offering the complete spectrum of services, from cell line tech transfer to clinical and commercial manufacturing are growing rapidly. The market's growth stems from the growing consolidation, R&D initiatives, rising pharmaceuticals products, per capita disposable income, aging population and global healthcare expenditures. The market participants routinely invest in infrastructure, personnel and technology to gain a more significant share of the outsourcing revenue. The presence of end-to-end service providers providing value-added services for an integrated or risk-sharing business model is projected to drive industry growth[8].

Opportunities

Prevention and early detection – Vaccines and improvements in wellness could help prevent disease, making treatment for some illnesses no longer necessary. Advances in early detection will likely enable interventions that halt diseases in the earliest stages—before they progress to more serious conditions. With the spread of Covid, the need to get detected

[1] World Bank Global Outlook 2022 April
[2]IMF Economic Outlook April 2022
[3]RBI Bulletin April 2022
[4] RBI Bulletin April 2022

with a disease at an early stage has increased, which is an opportunity for the biopharma industry.

Growing market – India is one of the world's largest biopharma industry, providing the rest of the world with vaccines, drugs, and biosimilars. Increasing market competitiveness, more regulatory scrutiny, domestic price regulations and new tax regimes have aided the biopharma industry's expansion, providing opportunities for the sector.

Market Entry Barriers – The industry's natural entry barrier is created by high capital expenditures, operating costs, production complexities and strict compliance requirements owing to the sterile nature of goods and high-quality standards.

Challenges

Need for a qualified workforce – Work productivity within an industry depends on the qualification of the employed workforce. The biopharma sector has to increase its investment in a highly-qualified workforce to continue progress. In order to meet the demand for a qualified workforce would be challenging for the industry.

Price fluctuation assessment – Many companies in the industry witness tough times if they fail to adapt with healthcare analytics and other data analytics in healthcare industry trends of the biopharma industry. The biopharma industry needs proper techniques to analyse pricing structures in order to boost profit margins. Analysing the changing customer behaviour and fluctuating prices is one of the challenges in the industry.

Company overview

Stelis Biopharma is a leading, fully integrated biopharmaceutical contract development and manufacturing organization. Stelis is a vertically integrated biopharma and vaccines Company with the capabilities to develop and manufacture complex biologics, biosimilars and vaccines. The Company aspires to be a partner of choice for the global biopharmaceutical industry to enable their partners to accelerate development and commercialization of products to address unmet patient needs.

The powerhouse to progress the biologic products to market as efficiently as possible, the Company can cater for the entire product lifecycle for their customers for both drug substances and drug products. The Company's team has deep expertise in product development and manufacturing with comprehensive capabilities from cell line and process development to scale up, cGMP manufacturing and fill/finish of proteins and peptides. The Company leverages the advantages of an emerging technological hub for R&D and next-generation manufacturing from its strategic location – Bangalore, India. They deliver solutions for the most complex biologic projects.

Strengths

One Stop Capabilities – Stelis Biopharma has a fully integrated pure-play CDMO that provides the full range of services, from cell line technology transfer through clinical and commercial manufacturing. It can also transform drug substances into stable formulations, as well as fill and finish all injectable types.

Multi-modalities – The Company has three state-of-the-art facilities with over 85,000 sqm of Process Development (PD) and production space for mammalian, microbial and other modalities. Every level of the PD and production processes is highly automated which keeps them updated with the advanced technology.

Large-scale capabilities — The Company has large scale capabilities to enhance its growth and profitability. It is one of the highest CDMO capacity in APAC, including mammalian bioreactor suites. It has the flexibility to grow capacity with industry leading speed. It also has annual drug production capacity of more than over 450 million vials.

Robust Core Team — The Company has a strong experienced core team that has delivered highly complex scientific initiatives. The team comprises of highly skilled scientific and technical cross-functional teams with a wide range of biopharmaceutical research and manufacturing experience.

Global Standards and Compliance — To achieve the highest global standards of quality, the Company has a highly experienced quality and regulatory staff. They have facilities ready for inspections by the USFDA, EUGMP, MHRA, WHO, and many more. The Company has a holistic and systematic approach to building and sustaining Quality Culture.

Operational highlights

- The CDMO business of Stelis Biopharma delivered ~₹ 1,321.27 million in revenues through MSA.
- The Company received significant new orders for the drug product facility with continued traction for cartridges, high-speed vial fill-finish, and lyophilized vials.
- In 2022, the Company was successfully audited by EMA, and in H1CY2022, it had inspections scheduled for USFDA, TGA, amongst others.
- Revenue performance was impacted by high un-utilized facility costs as the operating cost included the cost of the new unit 3 facility, which currently does not generate commercial revenues.
- The Company reported a negative EBITDA, adjusting for the unabsorbed costs (Drug Substance block and unit 3 facility), else, would have delivered a strong EBITDA performance.

[5] https://www.globenewswire.com/news-release/2022/03/04/2396935/0/en/Pharmaceuticals-Global-Market-Report-2022.html

[6] https://www.precedenceresearch.com/press-release/biotechnology-market

[7] https://www.bloomberg.com/press-releases/2022-04-08/cdmo-market-size-to-reach-usd-327-1-million-by-2028-at-a-cagr-of-10-valuates-reports

[8] https://www.grandviewresearch.com/industry-analysis/pharmaceutical-contract-manufacturing-market

Human resource

The Company strives to build an employee-centric organisation which is open, diverse and transparent. It aims to create a highly satisfying and rewarding work environment that encourages personal and organisational development. It provides its employees various opportunities to enhance their experience including the chance to make a substantial contribution to the development and production of life-saving and life-extending therapies and vaccines for people all over the world.

During the year under review, the Company undertook various training and engagement initaitives such as dual career path, shadow the leader, and formal mentoring. These initaitves were aimed at motivating and pushing the employees to reach their full potential. It also offers a student programme that gives students exposure, experience, and opportunity to grow professionally. The programme is intended to assist students to bridge the gap between academic learning and real-world experience. Apart from career advancement, it also provides a variety of lifestyle perks that enhance one's entire life experience.

678

Total number of employees as on 31st March 2022

1.01 : 5.77

Gender diversity ratio

Internal control and the adequacy

Internal control systems have been implemented in accordance with the business needs and size of operations. The Internal Controls Framework was created to help the company to improve operational efficiency and effectiveness, increase financial control dependability, ensure accurate and timely reporting, and regulatory requirements, and maintain SOPs compliance. To ensure seamless growth, risk identification and assessment, as well as mitigation strategies are designed basis changing industry and economic environment.

Outlook

Stelis Biopharma is making big strides towards emerging as the most trusted and reliable biopharmaceutical CDMO globally. It is striving to expand its global footprint with its diverse portfolio and robust distribution network. With increasing demand for CDMO products, the Company is well-positioned to cater to these growing needs and remains optimistic about its ability to achieve a long-term sustainability and deliver significant value to its stakeholders. It is moving forward with determination and insight in order to achieve the next level of development, profitability, and market dominance.

Cautionary statement

Certain statements in the MDA section concerning future prospects may be forward-looking statements that involve a number of underlying identified / non-identified risks and uncertainties that could cause actual results to differ materially. In addition to the foregoing changes in the macro-environment, a global pandemic like COVID-19 may pose an unforeseen, unprecedented, unascertainable and constantly evolving risk(s), inter-alia, to the Company and the environment in which it operates. The results of these assumptions, relying on available internal and external information, are the basis for determining certain facts and figures stated in the report. Since the factors underlying these assumptions are subject to change over time, the estimates on which they are based are also subject to change accordingly. These forward-looking statements represent only the Company's current intentions, beliefs, or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements, whether due to new information, future events, or otherwise.

Board's Report

Dear Shareholders,

On behalf of the Board of Directors of the Company, it gives us pleasure in presenting the Fifteenth Board's Report and Audited Financial Statements for the financial year ended March 31, 2022.

1. Financial Summary

The Company has prepared the Consolidated and Standalone Financial Statements for the financial year ended March 31, 2022, 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:

(In ₹ million except per share data)

Particulars	2021-22	2020-21
Revenue from Operations	1,321.27	213.90
Other Income	58.64	10.05
Total Income	**1,379.91**	**223.95**
Less: Expenses	3,677.31	1,436.34
Profit/ (Loss) Before Tax (PBT)	(2,297.40)	(1,212.39)
Less: Tax Expense	-	-
Profit/ (Loss) After Tax (PAT)	(2,297.40)	(1,212.39)
Earnings per equity share		
- Basic	(64.85)	(66.88)
- Diluted	(64.85)	(66.88)

2. Company's Performance

The highlights of the Company's performance for the year ended March 31, 2022 are as under:

- Revenue from operations has increased by 518% to ₹ 1,321.27 mn
- Profit before tax and net profit has decreased by 89% to ₹ (2,297.40) mn

3. Nature of Business and Changes

The 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.

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, 2022.

5. Transfer to Reserves

There are no appropriations to/from the general reserves of the Company during the year ended March 31, 2022.

6. Share Capital

During the year under review the Authorised Share Capital of the Company has been increased to ₹ 5,00,00,000 divided into 5,00,00,000 equity shares of ₹ 1 each.

The following changes have been made to the Authorised Share Capital vide resolution passed by the Shareholders on July 14, 2021:

a. 134,334 Series A Compulsorily Convertible Preference Shares of ₹10 each converted into 134,334 Equity Shares of ₹ 10 each

b. 179,112 Series B Compulsorily Convertible Preference Shares of ₹10 each converted into 179,112 Equity Shares of ₹ 10 each

c. Sub-Division of 3,863,446 equity shares of Face Value of ₹ 10 each converted to 38,634,460 equity shares of ₹ 1 each.

d. Increase in Authorised Share Capital by ₹ 11,365,540 by creation of additional 11,365,540 equity shares of ₹ 1 each, thereby increasing the existing capital of ₹ 38,634,460 divided into 38,634,460 equity shares of ₹1 each to ₹ 50,000,000 divided into 50,000,000 equity shares of ₹ 1 each.

During FY 2021-22, equity shares have been issued to the following persons:

Sl. No	Name of Shareholder	Date of Allotment	No. of Shares	Premium (in ₹)	Type of Allotment
1.	TIMF Holdings	April 07, 2021	55,927	9,780	Private Placement
2.	Think India Opportunities Master Fund LP		55,927		
3.	Route One Fund I, L.P.	April 08, 2021	179,147	9,780	Private Placement
4.	Route One Fund II, L.P.		533		
5.	Route One Offshore Master Fund, L.P.		44,027		
6.	Joe Thomas	May 03, 2021	2,400	8,322	Conversion of warrants into Equity
7.	TIMF Holdings	May 25, 2021	111,853	9,780	Private Placement
8.	Tenshi Life Sciences Private Limited	August 11, 2021	1,971,315	554	Private Placement
9.	Arcolab Private Limited		1,839,900		
10.	Karuna Business Solutions LLP		5,388,255		

During the year under review, Bonus Shares in the ratio of 1:2 i.e. 1 equity share for every 2 equity shares held, was issued on July 15, 2021 by capitalizing the Securities Premium to the extent of ₹ 99,65,580

Sl. No.	Name of Shareholder	No. of Shares
1.	Strides Pharma Science Limited	369,644
2.	Medella Holdings Pte. Ltd	172,873
3.	Tenshi Life Sciences Private Limited	133,380
4.	Route One Fund I, L.P.	89,573
5.	Route One Fund II, L.P.	266
6.	Route One Offshore Master Fund, L.P.	22,013
7.	TIMF Holdings	83,890
8.	Think India Opportunities Master Fund LP	27,963
9.	GMS Pharma (Singapore) Pte. Ltd	58,473
10.	Shivanand Mankekar HUF	37,283
11.	Joe Thomas	1,200
	Total	**996,558**

Further, all the equity shares of the Company were sub-divided on July 16, 2021 in the ratio 1:10 i.e. 1 equity share having face value of ₹10 each into 10 equity shares of face value ₹ 1 each.

Sl. No.	Name of Shareholder	No. of Shares
1.	Strides Pharma Science Limited	11,089,320
2.	Medella Holdings Pte. Ltd	5,186,190
3.	Tenshi Life Sciences Private Limited	4,001,400
4.	Route One Fund I, L.P.	2,687,200
5.	Route One Fund II, L.P.	7,990
6.	Route One Offshore Master Fund, L.P.	660,400
7.	TIMF Holdings	2,516,700
8.	Think India Opportunities Master Fund LP	838,900
9.	GMS Pharma (Singapore) Pte. Ltd	1,754,190
10.	Shivanand Mankekar HUF	1,118,490
11.	Laxmi Shivanand Mankekar Jt. Shivanand Shankar Mankekar Jt. Kedar Shivanand Mankekar	10
12.	Kedar Shivanand Mankekar Jt. Shivanand Shankar Mankekar	10
13.	Shivanand Shankar Mankekar Jt. Laxmi Shivanand Mankekar Jt. Kedar Shivanand Mankekar	10
14.	Joe Thomas	36,000
	Total	**29,896,810**

Consequently, the Issued, Subscribed and Paid-up Share Capital of the Company as on March 31, 2022 is as under:

Name of Shareholder	Issued Capital	Subscribed Capital	Paid-up Capital
Number of equity shares	39,096,280	39,096,280	30,356,784
Nominal Amount per equity Share (₹)	1	1	1
Total amount of equity shares (₹)	39,096,280	39,096,280	30,356,784

Note: The difference in Issue and Subscribed Capital and Paid-up Capital is due to the call money due on 9,199,470

Share transfer

No share transfer was recorded during FY 2021-22.

7. Public Deposits

The 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 two wholly-owned subsidiaries as on March 31, 2022:

- Stelis Pte. Ltd in Singapore
- Biolex Private Limited in India

Stelis Biopharma LLC, wholly owned subsidiary, has been wound-up on January 12, 2022 and a Certificate of Cancellation to this effect has been obtained from the State of Delaware, USA.

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 were 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) the 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) 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:

- Mr. PM Thampi stepped down as Independent Director of the Company effective April 07, 2021, owing to retirement;
- Mr. VS Iyer stepped down as Non-Executive Director of the Company effective April 07, 2021, owing to pre-occuptation;
- Mr. Arun Kumar was appointed as a Non-Executive Director, representing the interest of Tenshi Life Sciences Private Limited effective April 07, 2021;
- Mr. PR Kannan resigned from the position of Non-Executive Director effective April 07, 2021, owing to pre-occuptation;

  Later, he was re-appointed by the Board as Executive Director & CFO of the Company effective July 09, 2021.
- Mr. Deepak Vaidya stepped down as Independent Director of the Company effective July 07, 2021 owing to pre-occuptation;
- Mr. S Raghavendra Rao stepped down as Whole-time Director of the Company effective July 21, 2021 owing to pre-occuptation;
- Ms. Vineeta Rai was appointed as an Independent Director effective July 23, 2021;
- Mr. AK Viswanathan was appointed as an Independent Director effective December 22, 2021;
- Mr. Mark W Womack was appointed as Managing Director & CEO of the Company effective November 16, 2021. He resigned from the position effective January 24, 2022, owing to personal reasons.

Composition of the Board of Directors as on March 31, 2022 is as under:

Sl. No.	Name of Director	DIN	Designation	Date of appointment
1.	Mr. Aditya Puri	00062650	Chairman & Non-Executive Director	January 07, 2021
2.	Mr. Arun Kumar	00084845	Non-Executive Director	April 07, 2021
3.	Mr. Ankur Nand Thadani	03566737	Non-Executive Director	March 26, 2021
4.	Mr. Mahadevan Narayanamoni	07128788	Non-Executive Director	March 26, 2021
5.	Mr. PR Kannan	03435209	Executive Director & CFO	July 09, 2021
6.	Ms. Vineeta Rai	07013113	Independent Director	July 23, 2021
7.	Mr. AK Viswanathan	08518003	Independent Director	December 22, 2021

Key Managerial Personnel (KMP):

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

Sl. No.	Name of KMP	Designation	Date of Appointment
1.	Mr. P R Kanann	Chief Financial Officer	July 09, 2021
2.	Ms. Puja Aggarwal	Company Secretary	November 16, 2021

13. Declaration by Independent Directors

In accordance with Section 149(7) of the Companies Act, 2013, each Independent Director has confirmed to the Company that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013. The Board of Directors are of the opinion that all the Independent Directors meet the criteria regarding integrity, expertise, experience and proficiency.

In terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs (IICA).

14 Meetings of the Board and Committees

Thirteen 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:

Sl. No.	Date of Board Meeting
1.	April 07, 2021
2.	April 08, 2021
3.	May 03, 2021
4.	May 25, 2021
5.	June 04, 2021
6.	July 09, 2021
7.	July 23, 2021
8.	August 13, 2021
9.	September 22, 2021
10.	November 15, 2021
11.	December 22, 2021
12	January 24, 2022
13.	February 16, 2022

a. Audit and Risk Management Committee

Audit Committee was re-constituted by the Board effective July 23, 2021 and accordingly three Committee meetings were held during the year i.e., on August 13, 2021, November 15, 2021 and February 16, 2022.

Further, the Committee was renamed as Audit and Risk Management Committee on February 16, 2022.

The composition of the Committee as on March 31, 2022 is as under:

Sl. No.	Name of Member	Category	Designation
1.	Mr. AK Viswanathan	Independent Director	Chairperson
2.	Ms. Vineeta Rai	Independent Director	Member
3.	Mr. Aditya Puri	Non-Executive Director	Member

Notes:

1. Ms. Vineeta Rai was appointed as Chairperson effective July 23, 2021 and change in designation as Member effective December 22, 2021
2. Mr. AK Viswanathan was appointed as Chairperson effective December 22, 2021
3. Mr. Ankur Thadani resigned as Member of the Committee effective December 22, 2021

b. Nomination and Remuneration Committee (NRC)

The NRC was re-constituted by the Board effective July 09, 2021.

Five Committee meetings were held during the i.e., on July 23, 2021, November 15, 2021, December 22, 2021, January 24, 2022 and February 16, 2022.

The composition of the NRC Committee as on March 31, 2022 is as under:

Sl. No.	Name of Member	Category	Designation
1.	Mr. Ankur Nand Thadani	Non-Executive Director	Chairperson
2.	Mr. Aditya Puri	Non-Executive Director	Member
3.	Ms. Vineta Rai	Independent Director	Member
4.	Mr. AK Viswanathan	Independent Director	Member

Notes:

1. Mr. Ankur Nand Thadani was appointed as Member effective July 23, 2021 and change in designation as Chairperson effective November 15, 2021.
2. Ms. Vineeta Rai was appointed as Member effective July 23, 2021.
3. Mr. Aditya Puri was appointed as Chairperson effective July 23, 2021 and change in designation as Member effective November 15, 2021.
4. Mr. Arun Kumar ceased to be a Member of the Committee effective February 16, 2022.
5. Mr. AK Viswanathan was appointed as Member effective February 16, 2022.

c. Management Committee

The Management Committee was re-constituted by the Board effective July 09, 2021.

Three Committee meetings were held during the year i.e., on July 15, 2021, August 11, 2021 and September 03, 2021.

The composition of the Management Committee as on March 31, 2022 is as under:

Sl. No.	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

d. Corporate Social Responsibility Committee (CSR)

The CSR Committee was constituted on February 16, 2022, with the following members:

Sl. No.	Name of Member	Category	Designation
1.	Mr. Arun Kumar	Non-Executive Director	Chairperson
2.	Ms. Vineeta Rai	Independent Director	Member
3.	Mr. AK Viswanathan	Independent Director	Member
4.	Mr. PR Kannan	Executive Director & CFO	Member

The Committee did not convene any meeting during FY 2021-22.

Attendance of Members of Board and Committees at the meetings held during FY 2021-22 is as mentioned below:

Board & Committees	Board Meeting	Audit and Risk Management Committee	NRC Committee	Management Committee
Number of Meetings held	13	3	5	3
Members' attendance				
Mr. Aditya Puri	13	3	5	-
Mr. Arun Kumar	12	-	5	3
Mr. PR Kannan	7	-	-	3
Mr. Ankur Nand Thadani	8	1	3	-
Mr. Mahadevan Narayanamoni	13	-	-	3
Ms. Vineeta Rai	6	3	4	-
Mr. AK Viswanathan	2	1	-	-

15. 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.

16. Policy on Appointment and Remuneration of Directors and Senior Management Personnel

The Company's Rremuneration 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 per sitting to the Non-Executive 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.

17. Particulars of Employees

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

18. Internal Financial Control System and their adequacy

The 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.

19. 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.

20. Vigil Mechanism

The 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.

During the year 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.

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.

21. 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 and Unit 3, the Company is required to spend atleast 1% of the project cost on CSR activities spread over the period of project.

Accordingly, the Board, at their meeting held on February 16, 2022, has constituted a CSR Committee to monitor the aforesaid spend under KIADB guidelines.

22. Auditors and Audit Reports

A) Statutory Audit Report

The Auditors Report given by M/s Deloitte Haskins & Sells LLP (Firm Registration Number 117366W/W-100018) for the financial year ended March 31, 2022, is enclosed along with the financial statements. The Auditors Report for the year ended March 31, 2022, does not contain any qualifications, observations or adverse remarks.

M/s Deloitte Haskins & Sells LLP, 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 Ninteeth AGM of the Company.

B) Secretarial Audit Report

M/s. Gopalakrishnaraj H H & Associates, Practicing Company Secretary (Certificate of Practice No: 4152) has been appointed as the Secretarial Auditor for the Company.

The Secretarial Audit for the FY 2021-22, inter-alia, included audit of compliance with the Companies Act, 2013 and the Rules made under thereunder.

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

23. Disclosure on maintenance of Cost Records

The Company is not required to maintain Cost Records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the year ended March 31, 2022.

24. 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, 2022.

25. Material Changes and Commitments

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.

26. Extract of Annual Return

As required under Section 92(3) of the Companies Act 2013 read with rule 12(1) of the Companies (Management and Administration) Rules, 2014, the details forming part of the extract of the Annual Return in Form MGT 9 is annexed as **Annexure 4** and forms part of this report.

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

There were no 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 conversation, R&D, technology absorption and foreign exchange earnings/ outgo are enclosed as **Annexure 5** 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. 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

PR Kannan
Executive Director & CFO
DIN: 03435209

Arun Kumar
Non-executive Director
DIN: 00084845

Date: June 07, 2022
Place: Bangalore

Annexure 1

Form AOC 1

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

Statement containing sailent features of the financial statement of subsidiaries/ associate companies/ joint ventures)

PART A - SUBSIDIARIES

Information relating to Subsidiary of the Company as at March 31, 2022

Sl No.	Name of the Subsidiary	Country of incorporation	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency	Exchange Rate as on last date of the relevant Financial year in the case of foreign subsidiaries.	(a) Share Capital (Includes Monies pending allotment)	(b) Reserves & Surplus	(c) Total Assets	(d) Total liabilities	(e) Investments	(f) Turnover	(g) Profit before taxation	(h) Provision for taxation	(i) Profit after taxation	(j) Proposed dividend	(k) % Shareholding
A	**Subsidiaries**															
1	Stelis Pte. Ltd	Singapore	NA	USD	75.7349	523.72	(28.86)	632.33	137.48	-	-	(4.32)	-	(4.32)	-	100.00%
2	Stelis Biopharma LLC	USA	NA	USD	75.7349											100.00%
3	Biolexis Private Limited	India	NA	INR	-	0.01	-	-	-	-	-	-	-	-	-	100.00%
B	**Associates and Joint Ventures**					NIL										

* Note: Stelis Biopharma LLC was wound-up effective January 12, 2022

* Note: Biolexis Private Limited was incorporated effective January 17, 2022

For Stelis Biopharma Limited

Date June 07, 2022
Place Bangalore

PR Kannan
Executive Director & CFO
DIN: 03435209

Arun Kumar
Non-Executive Director
DIN: 00084845

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 2021-22 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, 2022 - ***Nil***

For Stelis Biopharma Limited

	PR Kannan	**Arun Kumar**
Date June 07, 2022	Executive Director & CFO	Non-Executive Director
Place Bangalore	DIN: 03435209	DIN: 00084845

Annexure 3

Form No. MR-3

Secretarial Audit Report

For the financial year ended 31st March 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members
Stelis Biopharma Limited
(formerly Stelis Biopharma Private Limited)
CIN: U74140KA2007PLC043095
Regd. Office
Plot No. 293, Bommasandra, Jigani Link Road,
Jigani Industrial Area, Anekal Taluk,
Bengaluru – 560105

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Stelis Biopharma Limited** ('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 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 March 31, 2022 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 March 31, 2022 according to the provisions of:

1) The Companies Act, 2013 (the Act) and the rules made thereunder.

2) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder are not applicable to the company, as the Company is Public and unlisted Company.

3) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder.

4) Foreign Exchange Management Act, 1999 (FEMA) and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment.

5) Secretarial Standards issued by The Institute of Company Secretaries of India.

6) 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.

During the period under review, the Company has complied with all the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above. During the year, a foreign national and Non-resident has been appointed as Managing Director of the Company with effect from 16th November 2021. He resigned from the Board with effect from 24th January 2022. In this regard, since this Managing Director has resigned within 90 days from the date of his appointment as Managing Director, the Company was not in a position to apply to Central Government in form MR-2. However, these facts were intimated to the Registrar of Companies, Karnataka by filing form GNL-2. During this period, the remuneration paid to the Managing Director is in accordance to the provisions of the Companies Act, 2013.

As the Company is an unlisted Public Company, the provisions of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 and other laws governed by SEBI are not applicable to the Company.

We further state that, during the period under review and based on our verification of the records maintained by the Company, in our opinion, adequate systems, processes and control mechanism commensurate to the size and nature of the Company's business exist in the Company to monitor and ensure compliances with applicable laws, including industry specific laws, labour laws, intellectual property laws and environmental laws. We have not reviewed the applicable financial laws, direct and indirect tax laws since the same have been subject to review and audit by the Statutory Auditors of the Company.

We, further report that:

1) As at March 31, 2022, the Board of Directors of the Company is duly constituted. 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.

2) Adequate notice has been given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and in some meetings with shorter notice as per the Secretarial Standard 1 (SS-1). Further, 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.

3) All decisions of the Board were unanimous and there were no dissenting views by any Members of the Board during the period under review.

We further report that during the audit period, the Company has taken the following decisions with the approval of members.

Date of Meeting	AGM/ EGM	Matters considered
03rd May 2021	EGM	Amendment to the Offer documents dated March 22, 2021 for Preferential Allotment of Equity Shares on Private Placement Basis
27th May 2021	EGM	Amendment to the Stelis ESOP Scheme 2021 with respect to Option Price at which ESOPs are proposed to be granted to the Employees of Stelis
06th July 2021	AGM	1. Adoption of Audited Financial Statements (Both Standalone and Consolidated) for the year ended March 31, 2021 along with Report of the Board of Directors and Auditors thereon. 2. Appointment of M/s Deloitte Haskins & Sells as the Statutory Auditors of the Company 3. Regularization of the appointment of Mr. Aditya Puri as a Non-Executive Director 4. Regularization of the appointment of Mr. Arun Kumar as a Non-Executive Director 5. Regularization of the appointment of Mr. S Raghavendra Rao as Executive Director
14th July 2021	EGM	1. Bonus Issue of equity shares of the Company 2. Amendment of Memorandum of Association and Articles of Association pursuant to: (a) Reclassification of CCPS into Equity (b) Sub-Division of equity shares from the Face Value of ₹ 10/- to Face Value of ₹ 1/- per Share (c) Increase of Authorized Share Capital (d) Alteration of Capital Clause (e) Conversion from Private Company to Public Company 3. Amendment to the Offer Documents for Preferential Allotment of Equity Shares on Private Placement Basis 4. Regularization of appointment of Mr. P R Kannan as Executive Director
25th August 2021	EGM	1. Amendment to Articles of Association 2. Authorisation to the Board under section 180(1)(a) of the Act. 3. Appointment of Ms. Vineeta Rai as Independent Director
01st October 2021	EGM	Amendment to the Articles of Association of the Company
04th January 2022	EGM	1. Appointment of Mr. AK Viswanathan as an Independent Director of the Company 2. Appointment of Mr. Mark W. Womack as Managing Director of the Company 3. Approval of remuneration of Mr. PR Kannan, Executive Director & CFO of the Company

Place: Bangalore
Date: April 08, 2022

UDIN: F005654D000475805

For **Gopalakrishnaraj H H & Associates**
Company Secretaries

Gopalakrishnaraj H H
Proprietor
FCS: 5654; CP: 4152
PR: 945/2020

Annexure to Secretarial Audit

To,
The Members
Stelis Biopharma Limited
(formerly Stelis Biopharma Private Limited)
CIN: U74140KA2007PLC043095
Regd. Office
Plot No. 293, Bommasandra, Jigani Link Road,
Jigani Industrial Area, Anekal Taluk,
Bengaluru – 560105

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.

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 management. 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.

Place: Bangalore
Date: April 08, 2022

UDIN: F005654D000475805

For **Gopalakrishnaraj H H & Associates**
Company Secretaries

Gopalakrishnaraj H H
Proprietor
FCS: 5654; CP: 4152
PR: 945/2020

Annexure 4

Form MGT-9

Extract of Annual Return as on March 31, 2022

(Pursuant to section 92(3) of the Companies Act, 2013 and
Rule 12(1) of the Companies (Management and Administration) Rules, 2014)

I. REGISTRATION AND OTHER DETAILS:

CIN	U74140KA2007PLC043095
PAN	AABCI7084A
Registration Date	June 12, 2007
Name of the Company	Stelis Biopharma Limited (Formerly Stelis Biopharma Private Limited)
Category / Subcategory of the Company	Company Limited by shares
Address of the Registered Office and Contact Details	Plot No. 293, Bommasandra, Jigani Link Road, Jigani Industrial Area, Anekal Taluk, Bangalore 560105, Karnataka
Email ID	cs@stelis.com
Telephone No.	080-6784 0000
Website	www.stelis.com
Whether listed Company	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	Integrated Registry Management Services Private Limited 2nd Floor, "Kences Towers" No. 1, Ramakrishna Street, North Usman Road, T Nagar, Chennai - 600 017 Contact No:044 2814 0801

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities of the Company:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Biotech	72100	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN/GLN/ UEN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	**Stelis Pte. Ltd, Singapore** 36, Robinson Road, #13-06, City House, Singapore – 068877	201906845R	Subsidiary	100%	2(87)
2.	**Biolexis Private Limited** Plot No 293, Bommasandra Jigani Link Road Jigani Industrial Area Anekal Bangalore - 560105	U24239KA2022PTC156696	Subsidiary	100%	2(87)

Note: Stelis Biopharma LLC, wholly owned subsidiary in USA was voluntarily wound up with effect from January 12, 2022.

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

(i) Category-wise Shareholding

Category code	Category of Shareholder	No. of Shares held at the beginning of the financial year i.e. April 01, 2021				No. of Shares held at the end of financial year i.e. March 31, 2022				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	**Shareholding of Promoter and Promoter Group**									
1	**Indian**									
(a)	Individuals/ HUF	-	-	-	-	-	-	-	-	-
(b)	Central Govt./ State Govt.(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate*	266,760	-	266,760	17.28	11,360,970	-	11,360,970	29.06	11.77
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(e)	Any Others	-	-	-	-	-	-	-	-	-
	Sub Total(A)(1)	**266,760**	**-**	**266,760**	**17.28**	**11,360,970**	**-**	**11,360,970**	**29.06**	**11.77**
2	Foreign									
(a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b)	Other - Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Any Others(Specify)	-	-	-	-	-	-	-	-	-
	Sub Total(A)(2)		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**266,760**	**-**	**266,760**	**17.28**	**11,360,970**	**-**	**11,360,970**	**29.06**	**11.77**
(B)	**Public shareholding**									
1	**Institutions**									
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-
(b)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B 2	**Non-institutions**				-					
(a)	Bodies Corporate	-	-	-	-	-	-	-	-	-
	Indian **	739,286	2	739,288	47.90	12,929,200	20	12,929,220	33.07	(14.83)
	Overseas	345,746	116,946	462,692	29.98	11,897,380	1,754,190	13,651,570	34.92	4.94

Category code	Category of Shareholder	No. of Shares held at the beginning of the financial year i.e. April 01, 2021				No. of Shares held at the end of financial year i.e. March 31, 2022				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(b)	Individuals									
I	Individuals holding nominal share capital upto ₹ 1 Lac	3	-	3	0.00	30	-	30	0.00	(0.00)
II	Ind-Hold nominal shr capital in excess of ₹ 1 Lac	-	-	-	-	36,000	-	36,000	0.09	0.09
(c)	Qualified Foregin Investor	-	-	-	-			-	-	-
(d)	Any Other			-	-			-	-	-
(d-i)	Clearing member			-	-			-	-	-
(d-ii)	NRIs			-	-			-	-	-
(d-iii)	Foreign Corp Bodies (Including FDI)			-	-	-	-	-	-	-
(d-iv)	Trusts	-	-	-	-	-	-	-	-	-
(d-v)	Directors	-	-	-	-	-	-	-	-	-
(d-vi)	HUF	74,566	-	74,566	4.83	1,118,490	-	1,118,490	2.86	
	Sub-Total (B)(2)	**1,159,601**	**116,948**	**1,276,549**	**82.72**	**25,981,100**	**1,754,210**	**27,735,310**	**70.94**	**(11.77)**
(B)	**Total Public Shareholding (B)= (B)(1)+(B)(2)**	**1,159,601**	**116,948**	**1,276,549**	**82.72**	**25,981,100**	**1,754,210**	**27,735,310**	**70.94**	**(11.77)**
	TOTAL (A)+(B)	**1,426,361**	**116,948**	**1,543,309**	**100.00**	**37,342,070**	**1,754,210**	**39,096,280**	**100**	**-**
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-	-	-
1	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
2	Public -	-	-	-	-	-	-	-	-	-
	Sub-Total (C)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
GRAND TOTAL (A)+(B)+(C)		**1,426,361**	**116,948**	**1,543,309**	**100.00**	**37,342,070**	**1,754,210**	**39,096,280**	**100.00**	**-**

Note

** Includes partlty paid shares issued to Tenshi Life Sciences Private Limited (1,971,315 equity shares) and to Karuna Business Solutions LLP (5,388,255 equity shares)*

***Includes partlty paid shares issued to Arco Lab Private Limited (1,839,900 equity shares)*

(ii) Shareholding of Promoters

#	Category of Shareholder	Shareholding at the beginning of the year i.e. as at April 01, 2021			Shareholding at the end of the year i.e. as at March 31, 2022			% change in shareholding during the year
		Number of shares	% of total shares of the Company	% of shares Pledged/ encumbered to total shares	Number of shares	% of total shares of the Company	% of shares Pledged/ encumbered to total shares	
1	Tenshi Life Sciences Private Limited	266,760	17.28	-	5,972,715	15.28	-	-2.01
2	Karuna Business Solutions LLP	-	0	-	5,388,255	13.78	-	13.78
	Total	**266,760**	**17.28**	**-**	**11,360,970**	**29.06**	**-**	**11.77**

(iii) Change in Promoters Shareholding

#	Particulars	Date	Reason	Shareholding at the beginning of the year i.e as at April 01, 2021		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	**Tenshi Life Sciences Private Limited**						
	At the beginning of the year	1-Apr-21	Opening Balance	266,760	17.28	266,760	17.28
	Date wise Increase / Decrease	15-Jul-21	Bonus Issue	133,380	4.46	133,380	4.46
		16-Jul-21	Sub-divison in the ratio 1:10	3,601,260	12.05	3,601,260	12.05
		11-Aug-21	Allotment of PPS	1,971,315	5.04	1,971,315	5.04
	At the end of the year	**31-Mar-22**	**Closing Balance**	**5,972,715**	**10.35**		**-**
2	**Karuna Business Solutions LLP**						
	At the beginning of the year						
	Date wise Increase / Decrease	1-Apr-21	At the beginning of the year	-			
		11-Aug-21	Allotment of PPS	5,388,255	13.78	5,388,255	13.78
	At the end of the year	**31-Mar-22**	**Closing Balance**	**5,388,255**	**9.34**		

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

SI No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	**Strides Pharma Science Limited**						
		April 1, 2021	At the beginning of the year	739,288	47.90	739,288	47.90
		July 15, 2021	Bonus Issue	369,644	12.36	1,108,932	37.09
		July 16, 2021	Sub-divison	9,980,388	33.38	11,089,320	37.09
		March 31, 2022	**Closing Balance**	**11,089,320**	**28.36**		
2	**Medella Holdings Pte. Ltd**						
		April 1, 2021	At the beginning of the year	345,746	22.40	345,746	22.40
		July 15, 2021	Bonus Issue	172,873	5.78	518,619	17.35
		July 16, 2021	Sub-divison	4,667,571	15.61	5,186,190	17.35
		March 31, 2022	**Closing Balance**	**5,186,190**	**13.27**		
3	**Route One Fund I, L.P.**						
		April 1, 2021	At the beginning of the year	-	-	-	-
		April 8, 2021	Private Placement	179,147	9.77	179,147	9.77
		July 15, 2021	Bonus Issue	89,573	3.00	268,720	8.99
		July 16, 2021	Sub-divison	2,418,480	8.09	2,687,200	8.99
		March 31, 2022	**Closing Balance**	**2,687,200**	**6.87**		
4	**TIMF Holdings**						
		April 1, 2021	At the beginning of the year	-	-	-	-
		April 7, 2021	Private Placement	167,780	10.14	167,780	10.14
		July 15, 2021	Bonus Issue	83,890	2.81	251,670	8.42
		July 16, 2021	Sub-divison	2,265,030	7.58	2,516,700	8.42
		March 31, 2022	**Closing Balance**	**2,516,700**	**6.44**		
5	**Arco Lab Private Limited**						
		April 1, 2021	At the beginning of the year	-	-	-	-
		August 11, 2021	Private Placement*	1,839,900	4.71	1,839,900	4.71
		March 31, 2022	**Closing Balance**	**1,839,900**	**4.71**		
6	**GMS Pharma (Singapore) Pte. Ltd**						
		April 1, 2021	At the beginning of the year	116,946	7.58	116,946	7.58
		July 15, 2021	Bonus Issue	58,473	1.96	175,419	5.87
		July 16, 2021	Sub-divison	1,578,771	5.28	1,754,190	5.87
		March 31, 2022	**Closing Balance**	**1,754,190**	**4.49**		
7	**Shivanand Shankar Mankekar HUF**						
		April 1, 2021	At the beginning of the year	74,566	4.83	74,566	
		July 15, 2021	Bonus Issue	37,283	1.25	111,849	3.74
		July 16, 2021	Sub-divison	1,006,641	3.37	1,118,490	3.74
		March 31, 2022	**Closing Balance**	**1,118,490**	**2.86**		
8	**Think India Opportunities Master Fund LP**						
		April 1, 2021	At the beginning of the year	-	-	-	-
		April 7, 2021	Private Placement	55,927	3.38	55,927	3.38
		July 15, 2021	Bonus Issue	27,963	0.94	83,890	2.81
		July 16, 2021	Sub-divison	755,010	2.53	838,900	2.81
		March 31, 2022	**Closing Balance**	**838,900**	**2.15**		

Sl No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
9	Route One Offshore Master Fund, L.P.						
		April 1, 2021	At the beginning of the year	-	-	-	-
		April 8, 2021	Private Placement	44,027	2.40	44,027	2.40
		July 15, 2021	Bonus Issue	22,013	0.74	66,040	2.21
		July 16, 2021	Sub-divison	594,360	1.99	660,400	2.21
		March 31, 2022	**Closing Balance**	**660,400**	**1.69**		
10	Joe Thomas						
		April 1, 2021	At the beginning of the year				
		May 3, 2021	Private Placement	2,400	0.13	2,400	0.13
		July 15, 2021	Bonus Issue	1,200	0.04	3,600	0.12
		July 16, 2021	Sub-divison	32,400	0.11	36,000	0.12
		March 31, 2022	**Closing Balance**	**36,000**	**0.09**		

* Equity shares issued have been partly paid to the extent of 5% of the subscription amount.

(v) Shareholding of Directors and Key Mangerial Personnel: Nil

V. INDEBTEDNESS (details to be received from finance)

(in ₹ million)

Board & Committees	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year as on April 1, 2021				
i. Principal Amount	3,975,722,755			3,975,722,755
ii. Interest due but not paid	-			-
iii. Interest accrued but not due	42,194,103			42,194,103
Total (i+ii+iii)	**4,017,916,858**	**-**	**-**	**4,017,916,858**
Change in Indebtedness during the financial year				
Addition	9,709,376,826			9,709,376,826
Reduction	(1,993,820,580)			(1,993,820,580)
Net Change	**7,715,556,246**	**-**	**-**	**7,715,556,246**
Indebtedness at the end the financial year as on March 31, 2022				
i. Principal Amount	11,699,431,331			11,699,431,331
ii. Interest due but not paid	-			0
iii. Interest accrued but not due	34,041,772			34,041,772
Total (i+ii+iii)	**11,733,473,104**	**-**	**-**	**11,733,473,104**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(in ₹ million)

Sl No	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		PR Kannan* (Executive Director/ CFO)	Mark W Womack** (Managing Director/ CEO)	
1	**Gross salary***	14.68	7.17	21.85
a.	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
b.	Value of perquisites u/s 17(2) Income-tax Act, 1961			
c.	Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	**Stock Option**	-	-	
3	**Sweat Equity**	-	-	
4	**Commission**	-	-	
a.	as % of profit			
b.	others, specify			
5	**Others, please specify**			
a.	Severance Payout	-	4.48	4.48
6	**Other Perquisites**			
a.	Rent Free accomodation	-	0.86	
7	**Total (A)**	**14.68**	**12.52**	**26.33**
8	**Ceiling as per the Act**	-	-	-

Note:

*Appointed as Executive Director & CFO effective July 09, 2021. Remuneration details is from July 09, 2021 to March 31, 2022.

**Appointed as MD & CEO effective Nov 16, 2021 and resigned from Directorship effective January 24, 2022. Remuneration details is from November 16, 2021 to January 24, 2022.

B. Remuneration to other directors:

(in ₹ million)

#	Particulars of Remuneration	Name of the Directors								Total Amount
		Vineeta Rai (Independent Director)	AK Viswanathan (Independent Director)	Aditya Puri (Non-executive Director)	P. M Thampi (Non-executive Director)	Arun Kumar (Non-executive Director)	Ankur Nand Thadani (Non-executive Director)	Mahadevan Narayamoni (Non-executive Director)	Deepak Vaidya (Non-executive Director)	
1	**Independent Directors**					-	-	-		-
	Fee for attending Board / Committee meetings	1.30	0.30	-	-	-	-	-	-	1.60
	Commission	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-
	Total (1)	**1.30**	**0.30**	**-**	**-**	**-**	**-**	**-**	**-**	**1.60**
2	**Other Non-Executive Directors**					-	-	-		
	Fee for attending Board / Committee meetings	-	-	2.10	0.30	-	-	-	0.90	3.30
	Commission	-	-	-	-	-	-	-	-	-
	Others	-	-	-	-	-	-	-	-	-
	Total (2)	**-**	**-**	**2.10**	**0.30**	**-**	**-**	**-**	**0.90**	**3.30**
	Total (B) = (1+2)	**1.30**	**0.30**	**2.10**	**0.30**	**-**	**-**	**-**	**0.90**	**4.90**
	Total Managerial Remuneration	**1.30**	**0.30**	**2.10**	**0.30**	**-**	**-**	**-**	**0.90**	**4.90**
	Overall ceiling as per the Act									

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

(in ₹ million)

Sl No	Particulars of Remuneration	Name of KMP Puja Aggarwal* (Company Secretary)	Total Amount
1	**Gross salary***	1.23	1.23
a.	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
b.	Value of perquisites u/s 17(2) Income-tax Act, 1961		
c.	Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2	**Stock Option**	-	
3	**Sweat Equity**	-	
4	**Commission**	-	
a.	as % of profit		
b.	others, specify		
5	**Others, please specify**	-	
6	**Total (A)**	**1.23**	**1.23**
7	**Ceiling as per the Act**	-	-

Note:

*Appointed as Company Secretary effective November 16, 2021. Remuneration details is from November 16, 2021 to March 31, 2022.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offence during the financial year ended March 31, 2022.

For Stelis Biopharma Limited

PR Kannan
Executive Director & CFO
DIN: 03435209

Arun Kumar
Non-Executive Director
DIN: 00084845

Date June 07, 2022
Place Bangalore

Annexure 5

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.

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.

(iii) The capital investment on energy conservation equipment

a) Installed motion detectors to switch off lights whenever not required

b) Installed temperature monitoring system along with auto shut off to save energy when the temperature in the labs reached 24 degree Celsius.

c) Installed Nitrogen gas generator for lab application which reduced the consumption and dependency of buying commercial Nitrogen gas supply from outside, without additional infrastructure.

d) Variable Frequency Drive (VFD) system is installed for Air Handling Units (AHU) to reduce the CFP/Temperature whenever the room is not fully operational.

(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.

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

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.

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.

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-23.

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.

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

(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: ₹ 350,523,117

Foreign Exchange outgo in terms of Actual Outflows: ₹ 5,922,308,632

For and on behalf of the Board of Directors

	PR Kannan	**Arun Kumar**
Date: June 07, 2022	Executive Director & CFO	Non-executive Director
Place: Bangalore	DIN: 03435209	DIN: 00084845

Independent Auditor's Report

To
The Members of **Stelis Biopharma Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Stelis Biopharma Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2022, 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 specified under section 143(10) of the Act (SAs). 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.

Material uncertainty related to Going Concern

We draw attention to Note 2.2 (b) to the standalone financial statements, which indicates that the Company has incurred a net loss of 2,297.40 million during the year ended 31st March 2022 and, as of that date, the Company's current liabilities exceeded its current assets by 2,975.12 million. These events or conditions, along with other matters as set forth in Note 2.2(b), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, the standalone financial statements of the Company have been prepared on a going concern basis based on the management's mitigation plans stated in the said Note.

Our opinion is not modified in respect of this matter.

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. In addition to the matter described in the Material Uncertainty Related to Going Concern section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report.

Sl. No.	Key Audit Matter	Response to Key Audit Matter
1	**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 Contract Development and Manufacturing Organization - CDMO unit) as at 31 March 2022:** 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 CDMO unit, both aggregating to ₹ 10,539 million) as at 31st March 2022.	**Our principal audit procedures performed, among other procedures included:** • We obtained an understanding of the Management's process for impairment assessment of the carrying value of assets of the CGU. • Evaluated the design and implementation of the relevant controls and carried out testing of the management's control around the impairment assessment.

Sl. No.	Key Audit Matter	Response to Key Audit Matter
	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. 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: • 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, • discount rate • probabilities applied to the revenues which also factors management's best estimate of possible delay in product development cycle and regulatory approvals.	• 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. • Evaluated the key assumptions considered in the management's estimates of future cash flows. • Involved our valuation specialists to evaluate the discount rate, terminal growth used in the calculations. • 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. • 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 discount rate applied to the future cash flows and terminal growth rate. • 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. • We tested the arithmetical accuracy of the computations. • 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.
2	**Impairment assessment in respect of carrying value of the assets relating to Unit 3 – Vaccine facility (Unit – 3) as at 31st March 2022:** As stated in note 4G of the standalone financial statements and for the reasons stated in the said note which includes the current geopolitical conflict between Russia and Ukraine and the subsequent sanctions enforced on Russia, the management of the Company has assessed the impairment of carrying value of assets relating to Unit 3 - Vaccine facility as at 31st March 2022. The evaluation requires a comparison of the estimated recoverable value of the CGU to the carrying value of the assets in the CGU aggregating to ₹ 6,170 million as at 31st March 2022. 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: • generation of revenues in due course from the Vaccine plant and contract manufacturing, • plans to convert the existing vaccine facility for CDMO purpose,	**Our principal audit procedures performed, among other procedures included:** • We obtained an understanding of the Management's process for impairment assessment of the carrying value of assets of the CGU. • Evaluated the design and implementation of the relevant controls and carried out testing of the management's control around the impairment assessment. • 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. • Evaluated the key assumptions considered in the management's estimates of future cash flows. • Involved our valuation specialists to evaluate the discount rate and terminal growth rate used in the calculations.

Sl. No.	Key Audit Matter	Response to Key Audit Matter
	• probabilities applied to the revenues which also factors management's best estimate of possible delay in regulatory approvals, • ability to enforce the existing contract with customer and liquidate inventories as on balance sheet date prior to its shelf life. • attainment of profitable operations, • discount rate	• 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 discount rate applied to the future cash flows and terminal growth rate. • 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. • We tested the arithmetical accuracy of the computations. 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.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the director's report, but does not include the standalone financial statements, consolidated 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.

Management's Responsibility 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 Ind AS and other accounting principles generally accepted in India. 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 standalone financial statement 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 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those 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 control 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 system 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 control 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.

   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 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f. The matter described in the Material uncertainty related to Going Concern section above, in our opinion, may have an adverse effect on the functioning of the Company.

   g. With respect to the adequacy of the internal financial controls over financial reporting 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 over financial reporting.

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 does not have any pending litigations which would impact its financial position.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There 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 39 (h) 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 39 (h) to the standalone financial statements, no funds have been received by the Company from any person or entity, 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 that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that cause us to believe that the representation given by the Management 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.

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

Sathya P. Koushik
Partner
Membership No. 206920
UDIN : 22206920ANOSDI8900

Place: Bengaluru
Date: 7th June 2022

Annexure "A" to the Independent Auditor's Report

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Stelis Biopharma Limited ("the Company") as of 31st March 2022 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 based on the internal control over financial reporting 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 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 Company's internal financial controls over financial reporting 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. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, based on the criteria for internal financial control over financial reporting established by the respective 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

Sathya P. Koushik
Partner
Membership No. 206920
UDIN : 22206920ANOSDI8900

Place: Bengaluru
Date: 7th June 2022

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) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(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) The Company has a program of verification of Property, plant and equipment, capital work in progress, right-of-use assets so as to cover all the items once every three years which, in our opinion, is reasonable having regard to size of the Company and nature of its assets. In accordance with the program, Property, plant and equipment, capital work in progress and right-of-use assetes were physically verified by the Management. According to information and explanation given to us, no material discrepancies were noticed on such verification.

(c) In respect of immovable properties of land and buildings that have been taken on lease and disclosed as right to 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 31st March 2022 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 ₹ 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 and granted unsecured loans, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:

(a) The Company has provided loans during the year and details of which are given below:

Amount (₹ in million)

	Loans
A. Aggregate amount granted / provided during the year:	
- Subsidiaries	3.72
B. Balance outstanding as at balance sheet date in respect of above cases:*	
- Subsidiaries	3.79

*The closing balance is reported at restated value.

The Company has not provided any advances in the nature of loans or guarantee or security to any other entity during the year.

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

(c) In respect of loans granted 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
Stelis Pte Ltd	Interest on Loan	₹ 0.05 million	31st March 2022	1	

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue principal amount remaining outstanding as at the balance sheet date.

(e) None of the 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) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

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

(vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) According to the information and explanations given to us, in respect of statutory dues:

a) The Company has generally been regular in depositing Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities the Company.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at 31st March 2022 for a period of more than six months from the date they became payable.

b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on 31st March 2022.

(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.

(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 companies.

(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) The Company has made private placement of shares during the year. For such allotment of shares, the Company has complied with the requirements of Section 42 and 62 of the Companies Act, 2013, and the funds raised have been, prima facie, applied by the Company during the year for the purposes for which the funds were raised.

(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 31st March 2022.

(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) We have taken into consideration the whistle blower complaints received by the Company during the year and upto the date of this report and provided to us, when performing our audit.

(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 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 31st March 2022.

(xv) In our opinion and according to the information and explanations given to us, during the year ended 31st March 2022 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) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

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

(xvii) The Company has incurred cash losses amounting to ₹ 1,496.54 million during the financial year covered by our audit and ₹ 851.38 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 which is not mitigated (refer note 2.2(b) to the standalone financial statements) 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. 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

Sathya P. Koushik
Partner
Membership No. 206920
UDIN : 22206920ANOSDI8900

Place: Bengaluru
Date: 7th June 2022

Standalone Balance Sheet

as at 31st March 2022

(₹ in million)

Particulars	Note No.	As at 31st March 2022	As at 31st March 2021
A. ASSETS			
I Non-current assets			
(a) Property, Plant and Equipment	4A	11,856.61	6,011.55
(b) Right of use assets	4B	412.09	286.13
(c) Capital work in progress	4C	677.56	776.96
(d) Other intangible assets	4D	42.83	28.47
(e) Intangible assets under development	4E	3,719.49	3,045.94
(f) Financial assets			
(i) Investments	5	516.69	531.93
(ii) Loans	6	3.79	-
(iii) Security deposits	7	110.73	39.64
(h) Other non-current assets	8	1,993.48	917.35
Total non-current assets		**19,333.27**	**11,637.97**
II Current assets			
(a) Inventories	9	2,625.45	48.94
(b) Financial assets			
(i) Trade receivables	10	366.01	22.42
(ii) Cash and cash equivalents	11A	1,214.69	669.24
(iii) Bank balances other than (ii) above	11B	479.82	104.84
(c) Other current assets	8	422.00	138.30
Total current assets		**5,107.97**	**983.74**
Total assets (I+II)		**24,441.24**	**12,621.71**
B. EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	12A	30.36	15.43
(b) Other equity	12B	10,115.98	7,770.11
Total Equity		**10,146.34**	**7,785.54**
II Liabilities			
1 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	5,972.53	3,093.22
(ii) Lease liabilities	14	218.14	96.13
(b) Provisions	15	21.14	17.50
Total Non-current liabilities		**6,211.81**	**3,206.85**
2. Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	5,570.18	765.94
(ii) Lease Liabilities	14	54.06	11.91
(iii) Trade payables	17		
(A) total outstanding dues of micro enterprises and small enterprises		138.41	18.52
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		486.87	407.74
(iv) Other financial liabilities	18	1,523.71	279.00
(b) Other current liabilities	19	276.54	119.05
(c) Provisions	15	33.32	27.16
Total Current Liabilities		**8,083.09**	**1,629.32**
Total Equity and liabilities (I+II)		**24,441.24**	**12,621.71**

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

Sathya P Koushik
Partner
Membership Number: 206920

Place : Bengaluru
Date : 7th June 2022

For and on behalf of Board of Directors

P R Kannan
Executive Director & CFO
DIN : 03435209

Arun Kumar
Non- Executive Director
DIN: 00084845

Puja Aggarwal
Company Secretary
Membership Number: A49310

Place : Bengaluru
Date : 7th June 2022

Standalone Statement of Profit and Loss

for the year ended 31st March 2022

(₹ in million)

Sl No	Particulars	Note No.	For the year ended 31st March 2022	For the year ended 31st March 2021
1	Revenue from operations	20	1,321.27	213.90
2	Other income	21	58.64	10.05
3	**Total income (1+2)**		**1,379.91**	**223.95**
4	**Expenses**			
	(a) Consumables	22	1,603.40	205.19
	(b) Changes in inventories of finished goods and work-in-progress	23	(1,046.37)	-
	(c) Employee benefits expenses	24	569.65	312.23
	(d) Finance costs	25	680.20	158.01
	(e) Depreciation and amortisation expenses	26	703.49	344.04
	(f) Other expenses	27	1,166.94	416.87
	Total expenses (4)		**3,677.31**	**1,436.34**
5	**Profit / (Loss) before tax (3-4)**		**(2,297.40)**	**(1,212.39)**
6	Tax expense		-	-
7	**Profit / (Loss) for the year (5-6)**		**(2,297.40)**	**(1,212.39)**
8	Other Comprehensive Income			
	Items that will not be reclassified to statement of profit and loss			
	- Remeasurements of post employment benefit obligations-gain / (loss)		2.75	1.76
	- Income tax relating to these items		-	-
9	**Total other comprehensive income**		**2.75**	**1.76**
10	**Total comprehensive income for the year (7+9)**		**(2,294.65)**	**(1,210.63)**
11	**Earnings per equity share (of ₹ 1/- each)**	32		
	- Basic		(64.85)	(66.88)
	- Diluted		(64.85)	(66.88)
	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

Sathya P Koushik

Partner

Membership Number: 206920

P R Kannan

Executive Director & CFO

DIN : 03435209

Arun Kumar

Non- Executive Director

DIN: 00084845

Puja Aggarwal

Company Secretary

Membership Number: A49310

Place : Bengaluru
Date : 7th June 2022

Place : Bengaluru
Date : 7th June 2022

Standalone Cash Flow Statement

for the year ended 31st March 2022

(₹ in million)

Particulars	For the year ended 31st March 2022		For the year ended 31st March 2021	
A. Cash flow from operating activities				
Profit / (Loss) for the year		(2,297.40)		(1,212.39)
Adjustments for:				
Depreciation and amortisation	703.49		344.04	
Finance costs	680.20		158.01	
Interest income	(10.44)		(6.07)	
Other income	(0.36)		-	
Gain on sale of Asset	(0.06)		-	
Sundry Creditors written off	(29.54)		-	
Investment written off	15.15		-	
Unrealised exchange (gain)/loss (net)	109.01		15.21	
		1,467.45		**511.19**
Operating profit / (loss) before working capital changes		(829.95)		(701.20)
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Trade receivable	(343.59)		(22.36)	
Other assets (financial & non-financial)	(786.59)		(367.63)	
Decrease / (increase) in inventories	(2,576.51)		(48.94)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	121.38		56.18	
Other liabilities (financial & non-financial)	218.62		(64.84)	
		(3,366.69)		**(447.59)**
Net cash used for operating activities				
Income taxes paid (net)		-		(1.25)
Net cash flow from / (used in) operating activities (A)		**(4,196.64)**		**(1,148.79)**
B. Cash flow from investing activities				
Capital expenditure on property, plant and equipments including capital advances	(6,528.27)		(1,591.41)	
Investments in subsidiaries	15.24		(512.63)	
(Increase)/decrease in balance held as margin money	(374.98)		(5.40)	
Interest received	10.44		6.07	
Net cash flow from / (used in) investing activities (B)		**(6,877.57)**		**(2,103.37)**
C. Cash flow from financing activities				
Proceeds from issue of equity shares	4,655.47		4,808.02	
Proceeds from share application money pending allotment	-		0.02	
Proceeds of short term borrowings	1,838.63		481.50	
Repayment of short term borrowings	-		(781.50)	
Proceeds of long-term borrowings	7,654.75		110.00	
Repayment of long-term borrowings	(1,840.84)		(644.58)	
Interest paid	(688.35)		(163.72)	
Net cash flow from / (used in) financing activities (C)		**11,619.66**		**3,809.74**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**545.45**		**557.58**

Standalone Cash Flow Statement

for the year ended 31st March 2022

(₹ in million)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Cash and cash equivalents at the beginning of the year	669.24	111.66
Cash and cash equivalents at the end of the year	**1,214.69**	**669.24**
Reconciliation of cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 10A)	1,214.69	669.24
Cash and cash equivalents at the end of the year *	**1,214.69**	**669.24**
* Cash and cash equivalents comprises:		
Cash on hand	0.57	0.49
Balances with banks		
In current accounts	1,214.12	668.75
Total	**1,214.69**	**669.24**

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

Sathya P Koushik

Partner

Membership Number: 206920

Place : Bengaluru

Date : 7th June 2022

For and on behalf of Board of Directors

P R Kannan

Executive Director & CFO

DIN : 03435209

Arun Kumar

Non- Executive Director

DIN: 00084845

Puja Aggarwal

Company Secretary

Membership Number: A49310

Place : Bengaluru

Date : 7th June 2022

Standalone Statement of Changes in Equity

for the year ended 31st March 2022

A. Equity Share Capital

(1) Current reporting period

(₹ in million)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
15.43	-	-	14.93	30.36

(2) Previous reporting period

(₹ in million)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
9.45	-	-	5.98	15.43

B. Other equity

(₹ in million)

Particulars	Share application money pending allotment	Reserves and Surplus		Total equity attributable to equity holders of the Company
		Securities premium account	Retained earnings	
Balance as at 1st April 2020	25.00	6,934.20	(2,780.52)	4,178.68
Loss for the year	-	-	(1,212.39)	(1,212.39)
Issue of shares pursuant to exercise of share warrants	(25.00)	-	-	(25.00)
Premium received on shares issued during the year	0.02	4,827.04	-	4,827.06
Other Comprehensive Income for the year	-	-	1.76	1.76
Balance as at 31st March 2021	**0.02**	**11,761.24**	**(3,991.15)**	**7,770.11**
Loss for the year	-	-	(2,297.40)	(2,297.40)
Issue of shares pursuant to exercise of share warrants	(0.02)	-	-	(0.02)
Bonus Issues		(9.97)	-	(9.97)
Premium received on shares issued during the year	-	4,650.51	-	4,650.51
Other Comprehensive Income for the year	-	-	2.75	2.75
Balance as at 31st March 2022	**-**	**16,401.78**	**(6,285.80)**	**10,115.98**

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

Sathya P Koushik
Partner
Membership Number: 206920

Place : Bengaluru
Date : 7th June 2022

For and on behalf of Board of Directors

P R Kannan
Executive Director & CFO
DIN : 03435209

Arun Kumar
Non- Executive Director
DIN: 00084845

Puja Aggarwal
Company Secretary
Membership Number: A49310

Place : Bengaluru
Date : 7th June 2022

Notes Forming Part of the Standalone Financial Statements

for the year ended 31st March 2022

Note No.

1 General Information

Stelis Biopharma Limited (the 'Company' or 'Stelis') was incorporated in the state of Karnataka on 12th June 2007 with the object of providing biotechnology process development services for healthcare industries.

These financial statements comprise the Standalone Balance sheet of the Company, Standalone Statement of Profit and Loss (including Other Comprehensive Income) and Standalone Cash flow statement, Standalone statement of changes in equity and significant accounting policies and other explanatory information (together the "standalone financial statements").

2 Significant accounting policies

2.1 Statement of compliance

These standalone financial statements have been prepared to comply in all material aspects with the 'Indian Accounting Standards' ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") read with Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter, as applicable to the Company, and other relevant provisions of the Act.

2.2 Basis of preparation and presentation

2.2 (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 period, 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.

2.2 (b) During the year ended 31st March 2022, the company incurred a loss of ₹ 2,297 million and has a net negative working capital position amounting to ₹ 2,975 million (including current maturities of long-term debt of ₹ 3,732 million) as at 31st March 2022.

As of 31st March 2022, the Company has inventories relating to Sputnik Light, which remains unsold due to the geopolitical situation between Russia and Ukraine and sanctions on Russia and Russian Direct Investment Fund (RDIF). The management of the Company is confident of liquidating these inventories within the shelf life in the ordinary course of business (refer to note 8).

Further, the Company has shown significant growth in the Contract Development and Manufacturing (CDMO) business, which the company's management expects to grow further in the coming years. For the financial year 2021-22, the company reported revenues of ₹ 1,321 million in FY22 as compared to ₹ 214 million in FY21. However, the company's profitability was impacted by high un-utilized facility costs of the new facility which was commissioned during the year and did not contribute to revenues.

The increase in the revenues for FY22 resulted from new orders received by the company for the drug product facility with continued traction for cartridges, high-speed vial fill-finish, and lyophilized vials. These revenues have been part of the manufacturing services contracts (generally referred to as Manufacturing Services Agreements) executed by the company with its partners or clients at the pre-approval stage such that the partners or clients make necessary submissions to the regulators. These contracts can potentially translate into a substantial value in commercial sales (generally referred to as Commercial Sales agreement) after the partner's products receive the required regulatory approvals. The Management expects better financial outcome over the coming years and remains highly confident of achieving the business plan that is set for the CDMO business of the Company.

In the biosimilar development business, the Company made some progress with its key programs such as rh-teriparatide (PTH or biosimilar to Forsteo®), insulin glargine (biosimilar to Lantus®), and Semaglutide (generic to Ozempic®). In the insulin glargine program, the Company completed the phase 1 trials initiated in India. The Company completed the NCE-1 filing with the USFDA for Semaglutide. During the year, the Company also continued its engagement with the European Medicine Agency (EMA) to seek approval for PTH (The file was submitted to EMA in FY21). The company further entered into new business-to-business contracts to out-license PTH in several major markets across the Globe. These partnerships would result in licensing income for the company after it achieves necessary regulatory and development outcomes.

During the year, The Company in-licensed AmbiVax-CTM – the world's first and only thermostable Covid vaccine, developed by Akston Biosciences, United States. The Vaccine is currently under the Emergency Use Authorization (EUA) process for approval as a

Notes Forming Part of the Standalone Financial Statements

for the year ended 31st March 2022

primary vaccine in India. The Company expects to receive the EUA within the first half of the year 2022, after which it can be launched in India.

The Company has requested temporary relaxations for compliance with the financial covenants from the lenders as these have not been met as of the date of these financial results and is hopeful of receiving the necessary waivers and accordingly has considered the preexisting repayment terms. Also, some of the shareholders of the Company and Mr. Arun Kumar Pillai (Key managerial person) have committed to extending the required financial support that the Company would need for its business. Subsequent to the year end, the Company has received ₹ 610.87 million towards conversion of 1,158,600 partly paid-up shares that were held by some of the shareholders, into fully paid up shares of the Company.

While a material uncertainty exists in respect of the Company's going concern due to the various factors mentioned above, given the above mitigation plans that the management has laid out, the board of directors of the Company expects that the Company should be able to generate /raise adequate resources to continue operating and meet its obligations in the ordinary course of business and has accordingly approved the preparation of the financial statements on a Going concern basis.

2.3 Revenue recognition

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government) and is recorded net of provisions for sales discounts and returns, which are established at the time of sale. Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional. Where the collection of accounts receivable is expected to be after one year from the date of sale, revenues are discounted for the time value of money.

2.3.1 Sale of Services

Revenue from development services is recognised on achievement of a development milestone and when it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Revenue from fixed-price, fixed time frame contracts, where the performance obligations are satisfied overtime is recognized on a straight-line basis over the specified period unless some other method better represents the stage of completion, provided there is no uncertainty as to measurement or collectability of the consideration.

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.

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 financial statements are presented in Indian rupees, which is the functional currency of Stelis Biopharma Limited. 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 period, 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 period in which they arise.

Notes Forming Part of the Standalone Financial Statements

for the year ended 31st March 2022

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. Contracts in which all the risks and rewards of the lease are substantially transferred to the lessee are classified as a finance lease. All other leases are classified as operating leases. Leases, for which the Company is an intermediate lessor, it accounts for the head-lease and sub-lease as two separate contracts. The sub-lease is classified as a finance lease or an operating lease by reference to the RoU asset arising from the head-lease. 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.

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 period 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.

Interest 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 period 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 period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period 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.

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For defined benefit retirement benefit 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 annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period 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 in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period 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'. Curtailment gains and losses are accounted for as past service costs.

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 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 period 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 period 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.

2.9 Taxation

The income tax expense or credit for the year is the tax payable on the current period'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 period.

2.9.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the 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 period 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 period 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 period.

Notes Forming Part of the Standalone Financial Statements

for the year ended 31st March 2022

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 period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include 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 for the year

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

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
Mobile phones	: 3 years
Certain factory buildings	: 18 years

Individual assets costing less than ₹ 5,000 are depreciated in full in the year of purchase.

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

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 period, 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 period in which it is incurred.

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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 period 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

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 period, 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.

2.13 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

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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 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 collaterized borrowing for the proceeds recieved. Financial liabilities are derecognised when these are extingushed , 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 period, 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

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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.

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 and, where applicable, excise duty. Cost is determined as follows:

Raw materials, packing materials and consumables	Weighted avearge basis
Stock in trade	Weighted avearge basis

2.16 Goods and Service Tax Input credit

Goods and Service tax input credit is accounted for in the books in the period 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 periods 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.

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 financial statements and the reported amounts of income and expenses during the reported period. 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 period 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

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

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 pre-tax future cash flows attributable to the assets and a pre-tax discount rate

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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 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.

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.

3.1.5 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 financial statements remains appropriate. Also see Note 2.2(b).

3.1.6 Leases under Ind AS 116

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period 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 periods is reassessed to ensure that the lease term reflects the current economic circumstances.

3.1.7 Estimation of uncertainties relating to the global health pandemic from Corona Virus (COVID-19):

As at 31st March 2022, the Company has considered possible effects that may result from the pandemic relating to COVID-19 and geopolitical situation in Russia and Ukraine, in preparation of the 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 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 global health pandemic and 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.

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Note No. 4A Property, Plant and Equipment

(₹ in million)

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 1st April 2021	Additions	Disposals	As at 31st March 2022	As at 1st April 2021	Depreciation expense for the year	Eliminated on disposal of assets	As at 31st March 2022	As at 31st March 2022	As at 31st March 2021
Buildings	1,166.80	262.03	-	1,428.83	105.93	62.33	-	168.26	1,260.57	1,060.87
	(678.74)	(488.06)	-	(1,166.80)	(66.00)	(39.93)	-	(105.93)	(1,060.87)	(612.74)
Plant and Machinery	5,468.61	6,100.19	0.20	11,568.60	659.49	563.53	0.02	1,223.00	10,345.60	4,809.12
	(3,047.63)	(2,420.98)	-	(5,468.61)	(394.44)	(265.05)	-	(659.49)	(4,809.12)	(2,653.19)
Office equipments	82.29	34.69	-	116.98	32.18	17.91	-	50.09	66.89	50.11
	(69.29)	(13.00)	-	(82.29)	(17.86)	(14.32)	-	(32.18)	(50.11)	(51.43)
Computers	75.44	80.97	-	156.41	33.99	21.49	-	55.48	100.93	41.45
	(58.04)	(17.40)	-	(75.44)	(19.92)	(14.07)	-	(33.99)	(41.45)	(38.12)
Furniture and fixtures	56.31	40.13	-	96.44	7.81	7.30	-	15.11	81.33	48.50
	(15.60)	(40.71)	-	(56.31)	(4.06)	(3.75)	-	(7.81)	(48.50)	(11.54)
Vehicles	1.72	-	-	1.72	0.22	0.21	-	0.43	1.29	1.50
	(1.72)	-	-	(1.72)	(0.01)	(0.21)	-	(0.22)	(1.50)	(1.71)
Total	**6,851.17**	**6,518.01**	**0.20**	**13,368.98**	**839.62**	**672.77**	**0.02**	**1,512.37**	**11,856.61**	**6,011.55**
Previous year	**(3,871.02)**	**(2,980.15)**	**-**	**(6,851.17)**	**(502.29)**	**(337.33)**	**-**	**(839.62)**	**(6,011.55)**	**(3,368.73)**

Notes:-

(i) Figures in bracket relates to previous year

Note No. 4B Right of Use Assets

(₹ in million)

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 1st April 2021	Additions	Disposals	As at 31st March 2022	As at 1st April 2021	Depreciation expense for the year	Eliminated on disposal of assets	As at 31st March 2022	As at 31st March 2022	As at 31st March 2021
Land	157.35	-	-	157.35	4.82	1.63	-	6.45	150.90	152.53
	(157.35)	-	-	(157.35)	(1.66)	(3.16)	-	(4.82)	(152.53)	(155.69)
Building	132.89	188.85	-	321.74	2.86	60.40	-	63.26	258.48	130.03
	-	(132.89)	-	(132.89)	-	(2.86)	-	(2.86)	(130.03)	-
Plant and Machinery	4.31	-	-	4.31	0.74	0.86	-	1.60	2.71	3.57
	-	(4.31)	-	(4.31)	-	(0.74)	-	(0.74)	(3.57)	-
Total	**294.55**	**188.85**	**-**	**483.40**	**8.42**	**62.89**	**-**	**71.31**	**412.09**	**286.13**
Previous year	**(157.35)**	**(137.20)**	**-**	**(294.55)**	**(1.66)**	**(6.76)**	**-**	**(8.42)**	**(286.13)**	**(155.69)**

Notes Forming Part of the Standalone Financial Statements

for the year ended 31st March 2022

Notes:-

(i) Figures in bracket relates to previous year

Note No. 4C Capital Work in Progress

(₹ in million)

Particulars	As at 31st March 2022	As at 31st March 2021
Opening Balance	776.96	2,912.63
Add: Additions during the year	6,442.21	844.48
Less: Capitalised during the year	(6,541.61)	(2,980.15)
Closing Balance	**677.56**	**776.96**

(₹ in million)

Capital Work in Progress	Amount in CWIP for a period of				As at 31st March 2022
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	417.98	18.97	91.42	149.19	677.56
	417.98	**18.97**	**91.42**	**149.19**	**677.56**

Capital Work in Progress	Amount in CWIP for a period of				As at 31st March 2021
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	356.74	153.03	64.35	202.84	776.96
	356.74	**153.03**	**64.35**	**202.84**	**776.96**

Notes Forming Part of the Standalone Financial Statements

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Note No. 4D Other Intangible Assets

(₹ in million)

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 1st April 2021	Additions	Disposals	As at 31st March 2022	As at 1st April 2021	Depreciation expense for the year	Eliminated on disposal of assets	As at 31st March 2022	As at 31st March 2022	As at 31st March 2021
Software licences	39.20	23.60	-	62.80	10.73	9.24	-	19.97	42.83	28.47
	(17.97)	(21.23)	-	(39.20)	(6.46)	(4.27)	-	(10.73)	(28.47)	(11.51)
Total	**39.20**	**23.60**	**-**	**62.80**	**10.73**	**9.24**	**-**	**19.97**	**42.83**	**28.47**
Previous year	**(17.97)**	**(21.23)**	**-**	**(39.20)**	**(6.46)**	**(4.27)**	**-**	**(10.73)**	**(28.47)**	**(11.51)**

Notes:-

(i) Figures in bracket relates to previous year

Note No. 4E Intangible assets under development

(₹ in million)

Particulars	As at 31st March 2022	As at 31st March 2021
Intangible assets under development	3,719.49	3,045.94
Total	**3,719.49**	**3,045.94**

(₹ in million)

Intangible assets under development	Amount for a period of				As at 31st March 2022
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	673.52	531.31	547.88	1,966.78	3,719.49
	673.52	**531.31**	**547.88**	**1,966.78**	**3,719.49**

Intangible assets under development	Amount in Intangible assets under development for a period of				As at 31st March 2021
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	531.31	547.88	504.12	1,462.63	3,045.94
	531.31	**547.88**	**504.12**	**1,462.63**	**3,045.94**

Notes Forming Part of the Standalone Financial Statements

for the year ended 31st March 2022

Note No 4F - Annual Impairment assessment (CDMO 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 ₹ 10,539 million as at 31st March 2022. 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 and
- discount factors
- probabilities applied to the revenues which also factors management's best estimate of possible delay in product development cycle and regulatory approvals.

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 22% (31st March 2021: 22%). 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% (31st March 2021: 5%) p.a. which is consistent with the industry forecasts for the biosimilar market.

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 8.75%
- Increase in discount rate by 6.92% and nil terminal growth rate
- Decrease in growth rates of Revenue by 12.92% for short term and 3.5% for long term

Note No 4G - Annual Impairment assessment (Unit - 3 Vaccine facility):

Considering the current geopolitical situation between Russia and Ukraine and the subsequent sanctions enforced on Russia, the Management of the Company have performed impairment assessment of the carrying value of the assets of the Unit - 3 Vaccine facility amounting to ₹ 6,170 million as at 31st March 2022. 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 Unit 3- Vaccine facillity's expected future cash flows. These estimates and assumptions, primarily include, but are not limited to:

- Generation of revenues in due course from the Vaccine facility and contract manufacturing,
- plans to convert the existing vaccine facility for CDMO purpose,
- probabilities applied to the revenues which also factors management's best estimate of possible delay in regulatory approvals,
- ability to enforce the existing contract with customer and liquidate inventories as on balance sheet date prior to its shelf life.
- attainment of profitable operations,
- discount rate

Notes Forming Part of the Standalone Financial Statements

for the year ended 31st March 2022

Note No 4G - Annual Impairment assessment (Unit - 3 Vaccine facility): (Contd.)

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 25% (31st March 2021: Not applicable). 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% (31st March 2021: Not Applicable) p.a. which is consistent with the industry forecasts for the biosimilar market.

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 8.2%
- Increase in discount rate by 7.7% and nil terminal growth rate
- Decrease in growth rates of Revenue by 9.1% for short term and 3% for long term

Note No. 5 Investments

(₹ in million)

Particulars	As at 31st March 2022			As at 31st March 2021		
	Qty	Amount		Qty	Amount	
		Current	Non Current		Current	Non Current
Investments in subsidiaries (carried at cost):						
Equity shares, unquoted						
Stelis Pte Ltd, Singapore	4,590,001	-	516.59	4,590,001	-	516.59
Biolexis Private Limited	10,000	-	0.10	-	-	-
Stelis Biopharma LLC, US	-	-	-	-	-	15.34
Total	**4,600,001**	**-**	**516.69**	**4,590,001**	**-**	**531.93**
Aggregate amount of unquoted investments	4,600,001	-	516.69	4,590,001	-	531.93

Note No. 6 Loans

(₹ in million)

Particulars	As at 31st March 2022		As at 31st March 2021	
	Current	Non- Current	Current	Non- Current
- Loan to Subsidiaries	-	3.79	-	-
Total	**-**	**3.79**	**-**	**-**

Note No. 7 Security deposits

(₹ in million)

Particulars	As at 31st March 2022		As at 31st March 2021	
	Current	Non- Current	Current	Non- Current
- Security deposits	-	110.73	-	39.64
Total	**-**	**110.73**	**-**	**39.64**

Notes Forming Part of the Standalone Financial Statements

for the year ended 31st March 2022

Note No. 8 Other assets

(₹ in million)

Particulars	As at 31st March , 2022		As at 31st March 2021	
	Current	Non- Current	Current	Non- Current
Unsecured, considered good:				
- Capital advances	-	1,122.78	-	348.70
- Balances with government authorities				
- VAT/CST refund receivable	-	12.74	-	12.74
- GST credit & other receivable	-	799.08	-	544.35
- TDS receivable	-	58.88	-	11.56
- Advances to vendors	110.92	-	133.21	-
- Advances to related parties (Refer Note 28)	-	-	-	-
- Advances to employees	2.16	-	2.78	-
- Prepaid expenses	308.92	-	2.31	-
Total	**422.00**	**1,993.48**	**138.30**	**917.35**

Note No. 9 Inventories

(₹ in million)

Particulars	As at 31st March 2022	As at 31st March 2021
Raw materials	952.85	-
Work-in-progress	476.30	-
Finished goods	570.07	-
Consumables	626.23	48.94
Total	**2,625.45**	**48.94**

Inventories relating to Sputnik Light COVID-19 Vaccine

The Company and the Russian Direct Investment Fund (RDIF, Russia's sovereign wealth fund) entered into a manufacturing and supply agreement to produce Russian Sputnik Covid-19 vaccine. The agreement between RDIF and the Company was reached under the aegis of Enso Healthcare LLP, RDIF's coordination partner for sourcing Sputnik Light vaccines in India.

The Company has also received an order for 50 million doses of the Sputnik light vaccine to be exported to Russia, Iran and other countries. The Company has also received the Government of India's No Objection Certificate (NOC) to export to the said countries.

As of 31st March 2022, the Company has inventories relating to Sputnik Light of ₹ 2,625.45 million.

Due to geopolitical situation between Russia and Ukraine and sanctions on Russia, the Company has short-term challenges in liquidating these inventories. All these inventories have remaining shelf life and the management is confident of liquidating these inventories within the shelf life in the normal course of business.

Note No. 10 Trade receivables

(₹ in million)

Particulars	As at 31st March 2022		As at 31st March 2021	
	Current	Non- Current	Current	Non- Current
Unsecured, considered good:				
Trade receivables considered good - unsecured	366.01	-	22.42	-
Total	**366.01**	**-**	**22.42**	**-**

Notes Forming Part of the Standalone Financial Statements

for the year ended 31st March 2022

Note No. 10 Trade receivables (Contd.)

Particulars	Outstanding for following periods from due date of payment					As at 31st March 2022
	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	365.79	0.19	-	0.01	0.02	366.01
	365.79	**0.19**	**-**	**0.01**	**0.02**	**366.01**

Particulars	Outstanding for following periods from due date of payment					As at 31st March 2021
	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	22.39	-	0.01	0.02	-	22.42
	22.39	**-**	**0.01**	**0.02**	**-**	**22.42**

Note No. 11A Cash and cash equivalents

(₹ in million)

Particulars	As at 31st March 2022	As at 31st March 2021
Cash on hand	0.57	0.49
Balances with banks		
- in current accounts	1,214.12	668.75
Total	**1,214.69**	**669.24**

Note No. 11B Other balances with banks

(₹ in million)

Particulars	As at 31st March 2022	As at 31st March 2021
Balance held as margin money:		
- against borrowings facilities with banks	479.82	104.84
Total	**479.82**	**104.84**

Note No. 12A Equity Share Capital

(₹ in million)

Particulars	As at 31st March 2022	As at 31st March 2021
Authorised		
50,000,000 Equity shares of ₹ 1/- each with voting rights (3,550,000 Equity shares of ₹ 10/- each with voting rights as on 31st March 2021)	50.00	35.50
	50.00	**35.50**
Issued, subscribed and fully paid up		
39,096,280 Equity shares of ₹ 1/- each with voting rights "29,896,810 Fully paid equity share of ₹ 1/- 9,199,470 Partly paid equity share of ₹ 0.05/-" (1,543,309 Equity shares of ₹ 10/- each with voting rights as on 31st March 2021)	30.36	15.43
Total	**30.36**	**15.43**

Notes Forming Part of the Standalone Financial Statements

for the year ended 31st March 2022

Note No. 12A Equity Share Capital

(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 31st March 2022			
No. of Shares	1,543,309	28,353,501	29,896,810
Amount ₹ in million	15.43	14.47	29.90
Partly paid equity shares of ₹ 0.05/- each			
Year Ended 31st March 2022			
No. of Shares	-	9,199,470	9,199,470
Amount ₹ in million	-	0 .46	0 .46
Year Ended 31st March 2021			
No. of Shares	945,011	598,298	1,543,309
Amount ₹ in million	9.45	5.98	15.43

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

On 14th July 2021, pursuant to the shareholders approval, the Company has made a bonus issue of equity shares in the ratio of 1:2 for all its shareholders. Further, the Company has sub-divided the equity shares in the ratio of 10:1 i.e., sub-dividing the equity shares of face value of ₹ 10/- each into equity shares of face value ₹ 1/- each.

(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 31st March 2022				% Change during the Year
			Fully paid Equity Shares	Partly paid equity shares	Number of shares	%	
Tenshi Life Sciences Private Limited	266,760	5,705,955	4,001,400	1,971,315	5,972,715	15.28%	14.59%
Karuna Business Solutions LLP	-	5,388,255	-	5,388,255	5,388,255	13.78%	13.78%

Name of shareholder	No. of shares at the beginning of the year	Change during the year	As at 31st March 2021		% Change during the Year
			Fully paid Equity Shares	%	
Tenshi Life Sciences Private Limited	249,382	17,378	266,760	17.28%	1.13%
Karuna Business Solutions LLP	-	-	-	0.00%	0.00%

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

(₹ in million)

Particulars	As at 31st March 2022		As at 31st March 2021	
	Number of shares	%	Number of share	%
Strides Pharma Science Limited	11,089,320	28.36%	739,288	47.90%
Tenshi Life Sciences Private Limited	5,972,715	15.28%	266,760	17.28%
Karuna Business Solutions LLP	5,388,255	13.78%	-	0.00%
Medella Holdings Pte Ltd	5,186,190	13.27%	345,746	22.40%
Route One Fund I, L.P	2,687,200	6.87%	-	0.00%
TIMF Holdings	2,516,700	6.44%	-	0.00%

Notes Forming Part of the Standalone Financial Statements

for the year ended 31st March 2022

Note No. 12B Other equity

(₹ in million)

Particulars	Note no.	As at 31st March 2022	As at 31st March 2021
Securities premium account	10C (i)	16,401.78	11,761.24
Retained earnings	10C (ii)	(6,285.80)	(3,991.15)
Share application money pending allotment	10C (iii)	-	0.02
Total		**10,115.98**	**7,770.11**

(₹ in million)

Particulars	As at 31st March 2022	As at 31st March 2021
(A) Reserves and surplus		
(i) Security premium account		
Amounts received on issue of shares in excess of the par value has been classified as securities premium.		
Opening balance	11,761.24	6,934.20
Add: Premium on equity shares issued during the year	4,650.51	4,827.04
Less: Bonus Issues	(9.97)	-
Closing balance	**16,401.78**	**11,761.24**
(ii) Retained earnings		
Retained earnings comprises of the amounts that can be distributed by the Company as dividends to its equity share holders.		
Opening balance	(3,991.15)	(2,780.52)
Add: Profit/(Loss) for the year	(2,297.40)	(1,212.39)
Add: Remeasurements of post-employment benefit obligation (net of tax)	2.75	1.76
Closing balance	**(6,285.80)**	**(3,991.15)**
(iii) Share application money pending allotment		
Share application money pending allotment account represents the share allotment monies received by the company but pending allotment as on the reporting date.		
Opening balance	0.02	25.00
Add: Addition during the year	-	0.02
Less: Shares allotted during the year	(0.02)	(25.00)
Closing balance	**-**	**0.02**
Total reserves and surplus	**10,115.98**	**7,770.11**

Note No. 13 Non-current borrowings

(₹ in million)

Particulars	As at 31st March 2022	As at 31st March 2021
Secured borrowings:		
- *Term loans from banks*	5,972.53	3,093.22
Total	**5,972.53**	**3,093.22**

Notes Forming Part of the Standalone Financial Statements

for the year ended 31st March 2022

Note No. 13 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	As at 31st March 2022	As at 31st March 2021
Non-current borrowings	667.15	1,586.64
Current maturities of non-current borrowings	265.53	483.28
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 Ltd. Rate of interest: 3 month LIBOR + 3.65% Repayment to be made over 28 equal quarterly instalments. The outstanding term as at 31st March 2022 are 14 installments. (31st March 2021: 18 installments) The loan is supported by corporate guarantee of Strides Pharma Science Limited.		

(₹ in million)

Terms of repayment and security - Loan 2	As at 31st March 2022	As at 31st March 2021
Non-current borrowings	304.70	414.15
Current maturities of non-current borrowings	109.61	108.98
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 Ltd. Rate of interest: I Base rate + spread Repayment to be made over 28 equal quarterly instalments. The outstanding term as at 31st March 2022 are 15 instalments. (31st March 2021: 19 installments) The loan is supported by corporate guarantee of Strides Pharma Science Limited.		

(₹ in million)

Terms of repayment and security - Loan 3	As at 31st March 2022	As at 31st March 2021
Non-current borrowings	1,259.85	984.72
Current maturities of non-current borrowings	374.99	171.39
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 Repayment to be made over 20 equal quarterly instalments starting from 21st July. The outstanding term as at 31st March 2022 are 20 instalments. (31st March 2021: 20 installments) The loan is supported by corporate guarantee of Strides Pharma Science Limited.		

Notes Forming Part of the Standalone Financial Statements

for the year ended 31st March 2022

Note No. 13 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 4	As at 31st March 2022	As at 31st March 2021
Non-current borrowings	512.68	-
Current maturities of non-current borrowings	2,008.70	-
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% Repayment to be made over 48 equal quarterly instalments starting from Mar-22. The outstanding term as at 31st March 2022 are 48 instalments. (31st March 2021: 48 installments)		

(₹ in million)

Terms of repayment and security - Loan 5	As at 31st March 2022	As at 31st March 2021
Non-current borrowings	80.21	107.71
Current maturities of non-current borrowings	27.50	2.29
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% Repayment to be made over 48 equal quarterly instalments. The outstanding term as at 31st March 2022 are 47 instalments. (31st March 2021: 48 installments)		

(₹ in million)

Terms of repayment and security - Loan 6	As at 31st March 2022	As at 31st March 2021
Non-current borrowings	680.43	-
Current maturities of non-current borrowings	269.40	-
Security: The said loan was secured by first pari passu charge of movable and immoveable assets of the Company Rate of interest: 8.75% Repayment to be made over 16 equal quarterly instalments. The outstanding term as at 31st March 2022 are 14 instalments. (31st March 2021: Nil installments) The loan is supported by corporate guarantee of Strides Pharma Science Limited.		

(₹ in million)

Terms of repayment and security - Loan 7	As at 31st March 2022	As at 31st March 2021
Non-current borrowings	2,022.23	-
Current maturities of non-current borrowings	666.34	-
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 quarterly instalments starting from Oct-22. (31st March 2021: Nil installments) The loan is supported by corporate guarantee of Strides Pharma Science Limited.		

Notes Forming Part of the Standalone Financial Statements

for the year ended 31st March 2022

Note No. 13 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 8	As at 31st March 2022	As at 31st March 2021
Non-current borrowings	249.49	-
Current maturities of non-current borrowings	5.31	-
Security: The said loan was secured by first pari passu charge of movable and immoveable assets of the Company Rate of interest: 9.25% Repayment to be made over 48 equal quarterly instalments starting from March-23. (31st March 2021: Nil installments)		

(₹ in million)

Terms of repayment and security - Loan 9	As at 31st March 2022	As at 31st March 2021
Non-current borrowings	195.83	-
Current maturities of non-current borrowings	4.17	-
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% Repayment to be made over 48 equal quarterly instalments starting from Mar-23. (31st March 2021: Nil installments)		

Note 2

The above loan includes borrowings repayable in USD of ₹ 149.10 million (including current maturities of ₹ 483.28) on which interest is payable at 3 month Libor plus margin of 3.65% p.a. However, as the Company has taken interest rate swap with the same party from whom the loan is availed, and thereby converting the interest rate on the loan to a specified fixed interest rate of 5.88% p.a. Pursuant to the above arrangement, the Company has accrued interest at the rate of 5.88% p.a. on the said loan.

(₹ in million)

Particulars	As at 31st March 2022	As at 31st March 2021
Disclosed under non-current borrowings	5,972.57	3,093.22
Disclosed under current borrowings		
- Current maturities of non-current borrowings	3,731.55	765.94

Note No. 14 Lease liabilities

(₹ in million)

Particulars	As at 31st March 2022		As at 31st March 2021	
	Current	Non- Current	Current	Non- Current
- Lease liabilities	54.06	218.14	11.91	96.13
Total	**54.06**	**218.14**	**11.91**	**96.13**

Notes Forming Part of the Standalone Financial Statements

for the year ended 31st March 2022

Note No. 15 Provisions

(₹ in million)

Particulars	As at 31st March 2022		As at 31st March 2021	
	Current	Non- Current	Current	Non- Current
Provision for employee benefits:				
- Gratuity	1.81	21.14	0.92	17.50
- Compensated absences	31.51	-	26.24	-
Total	**33.32**	**21.14**	**27.16**	**17.50**

Note No. 16 Borrowings

(₹ in million)

Particulars	As at 31st March 2022		As at 31st March 2021	
	Current	Non- Current	Current	Non- Current
- Current maturities of non-current borrowings	3,731.55	-	765.94	-
- Working capital loans	1,838.63	-	-	-
Total	**5,570.18**	**-**	**765.94**	**-**

Note No. 17 Trade payables

(₹ in million)

Particulars	As at 31st March 2022		As at 31st March 2021	
	Current	Non- Current	Current	Non- Current
- Total outstanding dues of micro enterprises and small enterprises	138.41	-	18.52	-
- Total outstanding dues of creditors other than micro and small enterprises	486.87	-	407.74	-
Total	**625.28**	**-**	**426.26**	**-**

Particulars	Outstanding for following periods from due date of payment				As at 31st March 2022
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
(i) MSME	138.41	-	-	-	138.41
(ii) Others	484.99	0.99	0.07	0.56	486.61
	623.40	**0.99**	**0.07**	**0.56**	**625.02**

Particulars	Outstanding for following periods from due date of payment				As at 31st March 2021
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
(i) MSME	18.52	-	-	-	18.52
(ii) Others	397.51	7.03	2.12	1.08	407.74
	416.03	**7.03**	**2.12**	**1.08**	**426.26**

Notes Forming Part of the Standalone Financial Statements

for the year ended 31st March 2022

Note No. 17 Trade payables (Contd.)

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

(₹ in million)

Particulars	As at 31st March 2022	As at 31st March 2021
(i) Principal amount remaining unpaid to any suppliers as at the end of the accounting year	138.41	18.08
(ii) Interest due thereon remaining unpaid to any suppliers as at the end of the accounting year	0.26	0.44
(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	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	4.60	3.90
(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	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

Note No. 18 Other financial liabilities

(₹ in million)

Particulars	As at 31st March 2022		As at 31st March 2021	
	Current	Non- Current	Current	Non- Current
- Interest accrued but not due on borrowings	34.04	-	42.19	-
- Creditors for capital supplies/services	1,360.22	-	155.96	-
- Payable to related parties (Refer Note 28)	129.45	-	80.85	-
Total	**1,523.71**	**-**	**279.00**	**-**

Note No. 19 Other liabilities

(₹ in million)

Particulars	As at 31st March 2022		As at 31st March 2021	
	Current	Non- Current	Current	Non- Current
- Advance from customers	190.64	-	45.16	-
- Statutory dues	26.35	-	14.34	-
- Grant from Biotechnology Industry Research Assistance Council	59.55	-	59.55	-
Total	**276.54**	**-**	**119.05**	**-**

Notes Forming Part of the Standalone Financial Statements

for the year ended 31st March 2022

Note No. 20 Revenue from operations

(₹ in million)

Particulars	Year ended	
	31st March 2022	31st March 2021
Sale of Material	28.57	-
Sale of services	1,292.70	213.17
Other operating revenues	-	0.73
Total	**1,321.27**	**213.90**

Note No. 21 Other income

(₹ in million)

Particulars	Year ended	
	31st March 2022	31st March 2021
Interest income on financial assets at amortised cost	10.44	6.07
Unwinding of discount on security deposit	1.60	3.98
Scrap sales	0.36	-
Profit on sale of investments	16.41	-
Gain on sale of asset	0.24	-
Interest income on loan to subsidiaries	0.05	-
Sundry Creditors written off	29.54	-
Total	**58.64**	**10.05**

Note No. 22 Cost of materials consumed

(₹ in million)

Particulars	Year ended	
	31st March 2022	31st March 2021
Opening stock	48.94	-
Add: Purchases	3,133.54	254.13
Less: Closing stock	1,579.08	48.94
Cost of materials consumed	**1,603.40**	**205.19**

Note No. 23 Changes in inventories of finished goods, work-in-progress and stock-in-trade

(₹ in million)

Particulars	Year ended	
	31st March 2022	31st March 2021
Inventories at the end of the year		
Work-in-progress	476.30	-
Finished goods	570.07	-
	1,046.37	**-**

Note No. 24 Employee benefit expense

(₹ in million)

Particulars	Year ended	
	31st March 2022	31st March 2021
Salaries and wages	474.50	267.51
Contributions to provident and other funds	26.28	17.64
Staff welfare expenses	68.87	27.08
Total	**569.65**	**312.23**

Notes Forming Part of the Standalone Financial Statements

for the year ended 31st March 2022

Note No. 25 Finance cost

(₹ in million)

Particulars	Year ended	
	31st March 2022	31st March 2021
Interest expense on borrowings (including exchange differences regarded as an adjustment to borrowing costs)	597.45	124.03
Less: Amounts included in the cost of qualifying assets	-	-
Interest expense on loan from group company	-	11.78
Interest on lease liability	7.51	0.33
Other borrowing cost	75.24	21.87
Total	**680.20**	**158.01**

Note No. 26 Depreciation and amortisation expenses

(₹ in million)

Particulars	Year ended	
	31st March 2022	31st March 2021
Depreciation on Property, plant and equipment (Refer Note 4A)	672.77	337.33
Depreciation on Right to use assets (Refer Note 4B)	62.89	6.76
Less: Amounts included in the cost of assets	(41.41)	(4.32)
Amortisation on Intangible assets (Refer Note 4D)	9.24	4.27
Total	**703.49**	**344.04**

Note No. 27 Other Expenses

(₹ in million)

Particulars	Year ended	
	31st March 2022	31st March 2021
Power & Fuel	256.51	83.69
Rates and taxes	28.84	8.78
Rent	10.97	-
Insurance	32.21	7.36
Repairs and maintenance:		
- Machinery	56.21	30.20
- Others	132.60	41.43
Manpower service	44.60	14.91
Housekeeping service	63.16	20.50
Freight and forwarding	35.40	2.32
Business promotion	2.45	0.07
Travelling and conveyance	5.15	2.56
Exchange fluctuation loss (net)	108.87	15.21
Printing and stationery	12.71	5.89
Communication	11.93	18.94
Security Charges	13.11	6.24
Office expense	2.38	3.47
Loss on sale of asset	0.18	-
Boarding and lodging	13.79	1.22
Support service charges	139.72	91.87
Legal and professional fees	126.41	50.38
Auditors remuneration (refer note (i) below)	3.86	3.35
Investment written off	15.15	-
Research and development	-	4.64
Regulatory charges	2.58	-
Gardening Charges	4.44	-
Water Charges	10.28	2.76
Gas Charges	22.04	0.18
Advance written off	0.60	-
Miscellaneous expenses	10.79	0.90
Total	**1,166.94**	**416.87**

Notes Forming Part of the Standalone Financial Statements
for the year ended 31st March 2022

Note No. 27 Other Expenses (Contd.)

Note

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

(₹ in million)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Audit of standalone and consolidated financial statements (including quarterly limited reviews)	3.75	3.25
Reimbursement of expenses	0.11	0.10
Total	**3.86**	**3.35**

Note No. 28 Details of Research and Development expenditure incurred

(₹ in million)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Research & development expenses including capital expenditure:		
Material and third party outsourcing cost	425.22	267.17
Labour	176.82	151.00
Overheads	71.49	117.78
Total	**673.53**	**535.95**

Out of the above mentioned expenditure, ₹ 673.53 million (Previous year: ₹ 535.95 million) has been capitalised under intangibles under development. The expenditure detailed above have been incurred for DSIR recognized R&D unit in Bangalore.

During the year ended 31st March 2022, the Company tested intangible assets under development for impairment. Pursuant to such assessment, the Company has written-off such assets of ₹ 0.00 million (Previous year: ₹ 4.64 million).

The amount quantified as research and development expenditure (both capital and revenue) is as certified by the management of the Company and relied upon by the auditors.

Note No. 29 Commitments (To the extent not provided for)

(₹ in million)

Particulars	As at 31st March 2022	As at 31st March 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances):		
- Property, Plant and equipment	1,502.36	199.86
Total	**1,502.36**	**199.86**

Note No. 30 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. The company recognised ₹ 20.49 million (previous year: ₹ 12.93 million) for provident fund contributions, ₹ 0.00 million (previous year: 0.01) for employee state insurance scheme 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.

Notes Forming Part of the Standalone Financial Statements

for the year ended 31st March 2022

Note No. 30 Employee Benefits Plans (Contd.)

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	
	31st March 2022	31st March 2021
Discount rate(s)	6.41%	6.37%
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 31st March 2022	As at 31st March 2021
Service cost:		
Current service cost	6.59	5.81
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	1.14	0.88
Components of defined benefit costs recognised in statement of profit and loss	**7.73**	**6.69**
Remeasurement on the net defined benefit liability:		
Return on plan assets [excluding amounts included in net interest expense] (excess) / Short return	-	-
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	(2.98)	0.04
Actuarial (gains) / losses arising from experience adjustments	0.23	(1.80)
Components of defined benefit costs recognised in other comprehensive income	(2.75)	(1.76)
Total	**4.98**	**4.93**

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 remeasurernent of the net defined benefit liability is included in other comprehensive income.

Notes Forming Part of the Standalone Financial Statements

for the year ended 31st March 2022

Note No. 30 Employee Benefits Plans (Contd.)

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 31st March 2022	As at 31st March 2021
Present value of funded defined benefit obligation	22.95	18.42
Fair value of plan assets	-	-
Funded status	22.95	18.42
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	**22.95**	**18.42**

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

(₹ in million)

Particulars	As at 31st March 2022	As at 31st March 2021
Opening defined benefit obligation	18.42	14.13
Add: Acquisition / (disposal)	0.49	-
Expenses Recognised in statement of profit and loss		
Current service cost	6.59	5.81
Past service cost and (gain)/loss from settlements	-	-
Interest cost	1.14	0.88
Remeasurement (gains)/losses		
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	(2.98)	0.04
Actuarial (gains) / losses arising from experience adjustments	0.23	(1.80)
Benefits paid	(0.94)	(0.64)
Closing defined benefit obligation	**22.95**	**18.42**

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.

If the discount rate increases (decrease) by 1%, the defined benefit obligation would be ₹ 24.26 million (₹ 19.81 million) as at 31st March 2022

If the expected salary growth increases (decrease) by 1%, the defined benefit obligation would be ₹ 21.75 million (₹ 17.18 million) as at 31st March 2022

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)

Particulars	Amount
Year 1	1.81
Year 2	2.57
Year 3	3.14
Year 4	3.19
Year 5	3.71
Years 6 to 10	11.71

Notes Forming Part of the Standalone Financial Statements

for the year ended 31st March 2022

Note No. 31 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 right-of-use assets and lease liabilities during the year:

Right-of-use assets:

(₹ in million)

Particulars	Lease hold land	Office space	Plant & Machinary	Total
Opening balance as on 1st April 2020	155.69	-	-	155.69
Additions	-	132.89	4.31	137.20
Depreciation	(3.16)	(2.86)	(0.74)	(6.76)
Deletions	-	-		-
Closing balance as on 31st March 2021	**152.53**	**130.03**	**3.57**	**286.13**
Additions	-	188.85	-	188.85
Depreciation	(1.63)	(60.40)	(0.86)	(62.89)
Deletions	-	-		-
Closing balance as on 31st March 2022	**150.90**	**258.48**	**2.71**	**412.09**

Lease liabilities

(₹ in million)

Particulars	31st March 2022	31st March 2021
Opening balance	108.04	-
Additions	160.32	107.71
Interest	3.84	0.33
Lease payments	-	-
Closing balance	**272.20**	**108.04**
Current	54.06	11.91
Non-current	218.14	96.13

Maturity analysis of OLL	As at 31st March 2022			As at 31st March 2021		
	1 year	1 to 5 years	More than 5 years	1 year	1 to 5 years	More than 5 years
Factory Building	54.06	213.10	-	11.91	91.48	-
Plant and Machinery	-	5.04	-	-	4.65	-

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).

Notes Forming Part of the Standalone Financial Statements

for the year ended 31st March 2022

Note No. 32 Earnings per Share

(₹ in million)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Profit / (Loss) after tax attributable to equity holders of the Company (A) (₹ in million)	(2,297.40)	(1,212.39)
Weighted average number of equity shares used as denominator in calculating basic earnings per share (B)	35,426,071	18,128,544
Weighted average number of equity shares used as denominator in calculating diluted earnings per share (C)	35,426,071	18,128,544
Basic earnings per share (₹) (A/B)	(64.85)	(66.88)
Diluted earnings per share (₹) (A/C)	(64.85)	(66.88)

During the year, the Company has made a bonus issue of equity shares in the ratio of 1:2 for all its shareholders. Further, the Company has sub-divided the equity shares in the ratio of 10:1 i.e., sub-dividing the equity shares of face value of ₹ 10/- each into equity shares of face value ₹ 1/- each. Accordingly, basic and diluted earnings per share has been adjusted for previous periods presented.

Note No. 33 Related Party Transaction:

Nature of Relationship	Name of Related Party
Entity exercising significant influence	Strides Pharma Science Limited
	Tenshi Life Sciences Private Limited
	Medella Holdings Pte Ltd
Subsidiary	Stelis Pte Ltd
	Biolexis Private Limited
	Stelis Biopharma LLC (upto 14th January, 2022)
Other related parties:	Arcolab Private Limited
	Tenshi Pharmaceuticals Private Limited, India (formerly known as Steriscience Private Limited and Sovizen Life Sciences Private Limited)
	Tenshi Kaizen Private Limited
	Steriscience Specialities Private Limited
	Biolexis Holding Pte
	Steriscience Pte Limited
	Skanray Healthcare Private Limited
	Solara Active Pharma Sciences Limited
	Strides Pharma Inc
	Karuna Business Solutions LLP
	Karuna Healthcare Private Limited
	Strides Pharma Global Pte Ltd
Key Management Personnel – Chairman and Non - Executive Director	Aditya Puri
Key Management Personnel – Non - Executive Director	Arun Kumar Pillai (7th April 2021)
Key Management Personnel – Executive Director & CFO	Kannan Radhakrishnan Pudhucode (From 14th July 2021)
Key Management Personnel – Non - Executive Director	Ankur Nand Thadani
Key Management Personnel – Non - Executive Director	Mahadevan Narayanamoni
Key Management Personnel – Independent Director	A K Viswanathan (From 22nd December, 2021)
Key Management Personnel – Independent Director	Vineeta Rai (From 23rd July 2021)
CEO	Roger Lias (upto 30th September, 2021)
CEO	Mark Womack (upto 24th January, 2022)
Key Management Personnel – Non - Executive Director	Deepak Vaidya (upto 7th July 2021)
Key Management Personnel – Non - Executive Director	PM Thampi (upto 7th April 2021)
Key Management Personnel – Company Secretary	Puja Aggarwal

Notes Forming Part of the Standalone Financial Statements

for the year ended 31st March 2022

33 Related Party Transaction:

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		Subsidiary		Key Managerial Personnel	
	Year ended 31st March 2022	Year ended 31st March 2021	Year ended 31st March 2022	Year ended 31st March 2021	Year ended 31st March 2022	Year ended 31st March 2021	Year ended 31st March 2022	Year ended 31st March 2021
Revenue from operations								
Strides Pharma Science Limited	46.03	-	-	-	-	-	-	-
Stelis Pte. Ltd	-	-	-	-	128.42	-	-	-
Steriscience Pte Limited	-	-	112.52	21.86	-	-	-	-
Steriscience Specialties Private Limited	-	-	85.57	0.20	-	-	-	-
Interest Income								
Stelis Pte Limited	-	-	-	-	0.05	-	-	-
Guarantee Commission considered as borrowing cost								
Strides Pharma Science Limited	52.18	42.13	-	-	-	-	-	-
Support Service charges								
Strides Pharma Science Limited	2.10	1.58	-	-	-	-	-	-
Tenshi Life Sciences Private Limited	12.00	12.37	-	-	-	-	-	-
Arcolab Private Limited	-	-	81.44	19.40	-	-	-	-
Stelis Biopharma LLC	-	-	-	-	52.14	58.89	-	-
Rental expenses								
Arcolab Private Limited	-	-	0.01	-	-	-	-	-
Purchase of Material								
Strides Pharma Science Limited	0.01	-	-	-	-	-	-	-
Solara Active Pharma Sciences Limited	-	-	1.81	-	-	-	-	-
Advance given / (repaid)								
Skanray Healthcare Private Limited	-	-	-	(1.00)	-	-	-	-
Steriscience Specialties Private Limited	-	-	-	(432.28)	-	-	-	-
Steriscience Specialties Private Limited	-	-	-	420.00	-	-	-	-
Tenshi Kaizen Private Limited	-	-	-	(0.28)	-	-	-	-
Loans taken/(repaid)								
Tenshi Life Sciences Private Limited	-	100.00	-	-	-	-	-	-
Tenshi Life Sciences Private Limited	-	(400.00)	-	-	-	-	-	-
Karuna Healthcare Private Limited	-	-	-	381.50	-	-	-	-
Karuna Healthcare Private Limited	-	-	-	(381.50)	-	-	-	-
Loan given								
Stelis Pte Limited	-	-	-	-	3.72	-	-	-
Product Development Cost								
Tenshi Kaizen Private Limited	-	-	31.40	-	-	-	-	-
Interest expense on loan taken/ (repaid)								
Tenshi Life Sciences Private Limited	-	3.29	-	-	-	-	-	-
Tenshi Life Sciences Private Limited	-	(16.47)	-	-	-	-	-	-
Karuna Healthcare Private Limited	-	-	-	1.76	-	-	-	-
Karuna Healthcare Private Limited	-	-	-	(1.76)	-	-	-	-
Equity/Preference shares contribution to the Company (including securities premium)								
Strides Pharma Science Limited	-	2,394.96	-	-	-	-	-	-
Tenshi Life Sciences Private Limited	54.70	0.17	-	-	-	-	-	-
GMS Pharma (Singapore) Pte Ltd	-	612.80	-	-	-	-	-	-
Medella Holdings Pte Ltd	-	1,095.05	-	-	-	-	-	-
Karuna Business Solutions LLP	-	-	149.52	-	-	-	-	-
Reimbursement of expenses								
Strides Pharma Science Limited	4.03	2.10	-	-	-	-	-	-
Tenshi Kaizen Private Limited	1.78	-	-	-	-	-	-	-
Tenshi Life Sciences Private Limited	7.26	17.04	-	-	-	-	-	-
Naari Pharma Private Limited	-	-	0.01	-	-	-	-	-
Arcolab Private Limited	-	-	0.89	4.67	-	-	-	-

Notes Forming Part of the Standalone Financial Statements

for the year ended 31st March 2022

Note No. 33 Related Party Transaction: (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		Subsidiary		Key Managerial Personnel	
	Year ended 31st March 2022	Year ended 31st March 2021	Year ended 31st March 2022	Year ended 31st March 2021	Year ended 31st March 2022	Year ended 31st March 2021	Year ended 31st March 2022	Year ended 31st March 2021
Strides Pharma Inc	-	-	7.60	-	-	-	-	-
Steriscience Specilities Private Limited	-	-	8.92	-	-	-	-	-
Investments In Subsidiaries								
Stelis Pte Ltd	-	-	-	-	-	498.51	-	-
Stelis Biopharma LLC	-	-	-	-	(15.34)	15.34	-	-
Biolexis Private Limited	-	-	-	-	0.10		-	
Purchase of property, plant and equipment								
Strides Pharma Science Limited	-	2.93	-	-	-	-	-	-
Sales of Asset								
Steriscience Specilities Private Limited	-	-	5.14	-	-	-	-	-
Employee cost:								
Mark Womack	-	-	-	-	-	-	12.52	-
Kannan Radhakrishnan Pudhucode	-	-	-	-	-	-	14.68	-
Puja Aggarwal	-	-	-	-	-	-	2.04	-
Sitting fees paid to directors								
Deepak Vaidya	-	-	-	-	-	-	0.90	1.30
P. M Thampi	-	-	-	-	-	-	0.30	1.30
Aditya Puri	-	-	-	-	-	-	2.10	0.20
Vineeta Rai	-	-	-	-	-	-	1.30	-
Viswanathan AK	-	-	-	-	-	-	0.30	-
Other Payables								
Strides Pharma Science Limited	12.85	-	-	-	-	-	-	-
Tenshi Life Sciences Private Limited	15.45	43.64	-	-	-	-	-	-
Arcolab Private Limited	21.38	-	-	-	-	-	-	-
Strides Pharma Inc	-	-	7.52	-	-	-	-	-
Steriscience Specialties Private Limited	-	-	10.52	12.09	-	-	-	-
Steriscience Pte Limited	-	-	60.53	-	-	-	-	-
Stelis Biopharma LLC	-	-	-	-	-	25.12	-	-
Investments								
Stelis Pte Limited	-	-	-	-	-	517.81	-	-
Biolexis Pvt Ltd	-	-	-	-	0.10	-	-	-
Stelis Biopharma LLC	-	-	-	-	-	15.34	-	-
Loan given								
Stelis Pte Limited	-	-	-	-	3.81	-	-	-
Trade receivable								
Stelis Pte Limited	-	-	-	-	128.21	0.19	-	-
Steriscience Specialties Private Limited	-	-	106.97	0.20	-	-	-	-
Steriscience Pte Limited	-	-	-	21.86	-	-	-	-
Advances receivable								
Steriscience Specialties Private Limited	-	-	12.28	-	-	-	-	-

Notes Forming Part of the Standalone Financial Statements

for the year ended 31st March 2022

Note No. 34 Financial instruments

34.1 Categories of financial instruments

(₹ in million)

Particulars	31st March 2022	31st March 2021
Financial assets:		
Measured at amortised cost		
(a) Trade receivables	366.01	22.42
(b) Cash and bank balances	1,694.51	774.08
(c) Other financial assets at amortised cost	110.73	39.64
Financial liabilities:		
Measured at amortised cost		
(a) Borrowings	5,972.53	3,093.22
(b) Current maturities of non-current borrowings	5,570.18	765.94
(c) Trade payables	625.28	426.26
(d) Other financial liabilities	1,523.71	279.00

34.2 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).

34.2.1 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	31-Mar-22		31-Mar-21	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities:				
Borrowings	11,542.71	11,699.45	3,859.16	3,975.75

Notes Forming Part of the Standalone Financial Statements

for the year ended 31st March 2022

Note No. 34 Financial instruments (Contd.)

34.3 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:

34.3.1 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 31st March 2022		As at 31st March 2021	
Exposure to the Currency	In foreign Currency	In INR	In foreign Currency	In INR
USD	(23.20)	(1,749.35)	(27.62)	(2,022.14)
EUR	6.20	541.55	(0.37)	(31.82)
GBP	(0.02)	(2.29)	(0.01)	(0.54)
SGD	(0.04)	(2.35)	(0.06)	(3.17)
AED	0.00	0.01	(0.00)	(0.01)
AUD	-	-	(0.00)	(0.18)
CHF	(0.02)	(1.45)	-	-
RUB	(0.05)	(0.05)	-	-

34.3.2 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 neglibigle.

(₹ in million)

Particulars	Increase / (Decrease) in Profit	
	31st March 2022	31st March 2021
Appreciation in the USD	(87.47)	(101.11)
Depreciation in the USD	87.47	101.11
Appreciation in the EUR	27.08	(1.59)
Depreciation in the EUR	(27.08)	1.59

The impact on profit has been arrived at by applying the effects of appreciation / deprecation 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 31st March 2022

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.

Notes Forming Part of the Standalone Financial Statements

for the year ended 31st March 2022

34 Financial instruments (Contd.)

34.3.3 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 31st March 2022	As at 31st March 2021
Fixed-rate instruments		
Financial assets		
Balance with banks held as margin money	479.82	104.84
	479.82	**104.84**
Variable-rate instruments		
Financial liabilities		
Borrowings from bank	11,542.71	3,859.16
	11,542.71	**3,859.16**

Interest rate swap contracts

Under interest rate swap contracts, the Company agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Company to mitigate the risk of cash flow exposures on the variable rate borrowings.

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is the local interbank rate in the currency of the loan. The Company will settle the difference between the fixed and floating interest rate on a net basis.

34.4 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.

34.5 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.

Notes Forming Part of the Standalone Financial Statements

for the year ended 31st March 2022

34 Financial instruments (Contd.) (Contd.)

34.5.1 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.

(₹ in million)

Financial Liabilities	Due within (years)						Total	Carrying Amount
	1	1 to 2	2 to 3	3 to 4	4 to 5	beyond 5		
Bank & other borrowings								
- As on 31st March 2022	5,667.86	3,062.73	1,870.96	893.67	204.23	-	11,699.45	11,542.71
- As on 31st March 2021	790.29	878.08	878.08	878.08	488.63	62.59	3,975.75	3,859.16
Interest payable on borrowings								
- As on 31st March 2022	34.04	-	-	-	-	-	34.04	34.04
- As on 31st March 2021	42.19	-	-	-	-	-	42.19	42.19
Trade and other payable								
- As on 31st March 2022	2,114.95	-	-	-	-	-	2,114.95	2,114.95
- As on 31st March 2021	663.07	-	-	-	-	-	663.07	663.07

Note No. 35 Deferred tax asset :

The Company has significant brought forward tax loss and unabsorbed depreciation of ₹ 7,216.61 million (₹ 4,663.42 million 31st March 2021) as per latest Income tax return filed and 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 fixed assets and the written down value of such fixed assets under Income Tax. 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 31st March 2022.

Note No. 36 Segment Reporting:

The Company is engaged in the business of providing biotechnology process development services for healthcare industries. The board of directors of the group are identified as the chief operating decision Maker (CODM). The Company's operates in single operating segment, the reporting disclosures envisaged in Ind AS 108 on operating segments, are not applicable to the group . However, the geographical information are disclosed below:

Geographical Information

(i) Revenue from operations

(₹ in million)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
India	1,154.33	192.04
Outside India	166.94	21.86
Total	**1,321.27**	**213.90**

Notes Forming Part of the Standalone Financial Statements

for the year ended 31st March 2022

Note No. 36 Segment Reporting: (Contd.)

(ii) Non-current assets

(₹ in million)

Particulars	As at 31st March 2022	As at 31st March 2021
India	18,816.58	11,106.04
Total	**18,816.58**	**11,106.04**

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

Note No. 37

Pursuant to the board approval on 22nd December, 2021, the Board of Directors of the Company deceided to incorporate a limited company as a Wholly Owned Subsidiary in India. On 27th January, 2022, a Company had been incorporated in the name of "Biolexis Private Limited" with an investment of ₹ 1,00,000.

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

(a) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property

(b) The Company does not have any transactions with companies struck off.

(c) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(d) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(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:

(i) 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

(ii) 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:

(i) 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

(ii) 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 31st March 2022

Note No. 40 Details of the employee share option plan of the Company:

On 27th May 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 20% each for first two years and 30 % each for next two years 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.

As of 31st March 2022, the Company has not granted any options under this plan.

Note No. 41

Mr. Mark Womack ("Mark"), a citizen of the United States of America ("US"), was appointed as the Managing Director ("MD") of Company. Mark's appointment was approved by the board of directors of the Company on 15th November, 2021 and further approved by the shareholders of the Company in the extra-ordinary general meeting of the shareholders of the Company held on 4th January, 2022. Being a non-resident, the Company is required file Form MR-2 with Central government approval for appointment of Mark within 90 days of from his date of appointment as MD of the Company. Due to certain personal reasons, Mark resigned with effect from the close of business hours on 24th January, 2022 (before the relevant period for filing Form MR-2). The Company has been legally advised that post facto approval of MR-2 is procedural aspect and has become infructuous and redundant on account of the resignation tendered by Mark within the 90 days of appointment as MD of the Company.

Note No. 42

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 3rd September, 2024). The management of the Company is confident of achieving the positive cumulative net foreign exchange position within the prescribed timelines.

Note No. 43 Amendments effective from 1st April 2022 :

On March 23, 2022, the Ministry of Corporate Affairs (MCA) issued certain amendments and annual improvements to Ind AS. These amendments are applicable for accounting periods beginning on or after 1st April 2022:

- Ind AS 103 – Business Combinations – Reference to conceptual framework added
- Ind AS 16 – Property, Plant and Equipment – Accounting for proceeds before an asset's intended use
- Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – Assessing if the contract is onerous
- Annual improvements to Ind AS – Ind AS 109 (Financial Instruments) and Ind AS 116 (Leases)

The Company will evaluate the impact of the above, where applicable, on the financial statements and give impact of the same in the relevant period.

Notes Forming Part of the Standalone Financial Statements

for the year ended 31st March 2022

Note No. 44 Ratio Analysis

(₹ in million)

Particulars	As at 31st March 2022	As at 31st March 2021	Change	Ratios have a variance of >25% due to
Current Ratio - in times (A) / (B)	**0.63**	**0.60**	5%	Not applicable
Current Assets (A)	5,107.97	983.74		
Current Liabilities (B)	8,083.09	1,629.32		
Debt-Equity Ratio - in times (C) / (D)	**1.16**	0.51	129%	Increased during the year as additional bank loans availed for Unite-3 vaccines project and working capital
Debt including lease liabilities(C)	11,814.91	3,967.20		
Equity (D)	10,146.34	7,785.54		
Debt Service Coverage Ratio - in times (E) / ((F) + (G))	**0.36**	**0.88**	-59%	Decreased during the year as Debt repayment increased during the year.
Earnings Before Interest, Taxes, Depreciation and Amortisation (E)	(913.71)	(710.34)		
Debt repayment (F)	(1,840.84)	(644.58)		
Interest payments (G)	(688.35)	(163.72)		
Return on Equity ratio (H) / (I)	**-22.64%**	**-15.57%**	45%	Increased during the year as loss and equity both increased.
Net profit (H)	(2,297.40)	(1,212.39)		
Equity (I)	10,146.34	7,785.54		
Inventory turnover ratio (K) / (L)	**0.42**	**8.39**	-95%	Decreased as closing inventory has gone up across Raw material, WIP and FG as Sputnik Light vaccine manufactruing has started during the year
Cost of goods sold (K)	557.03	205.19		
Average Inventory (L)	1,337.20	24.47		
Trade receivables turnover ratio (M) / (N)	**6.80**	**19.03**	-64%	Decrease is due to increase in sales in CDMO business.
Sales Turnover (M)	1,321.27	213.90		
Average Trade receivables (N)	194.22	11.24		
Trade payables turnover ratio (O) / (P)	**1.06**	**0.56**	89%	Increased as cost of good sold related to vaccines manufactured in Unit-3 is inventorised but trade payables includes Unit-3 payables as well
Cost of goods sold (O)	557.03	205.19		
Average Trade payables (P)	525.77	366.44		
Net capital turnover ratio (Q) / (R)	**(0.44)**	**(0.33)**	34%	Increase is due to increase in sales in CDMO business.
Sales Turnover (Q)	1,321.27	213.90		
Woring Capital (R)	-2,975.12	-645.58		
Net profit ratio (S) / (T)	**-166.49%**	**-541.37%**	-69%	Decreased during the year as revenue has increased and proportional cost is reduced due to NATCO service bill
Net profit (S)	(2,297.40)	(1,212.39)		
Gross Revenue (T)	1,379.91	223.95		
Return on capital employed (U) / (V)	**-7.32%**	**-8.92%**	-18%	Not Applicable
Earnings Before Interest and Taxes (U)	(1,606.71)	(1,048.31)		
Capital Employed (V)	21,961.25	11,752.74		

Note No. 45

The previous year's figures have been re-grouped/reclassified, where necessary to confirm to current year's classification.

Note No. 46 Approval of financial statements

The Company's standalone financial statements are approved for issue by the board of directors on 7th June 2022.

For and on behalf of Board of Directors

P R Kannan
Executive Director & CFO
DIN : 03435209

Arun Kumar
Non- Executive Director
DIN: 00084845

Puja Aggarwal
Company Secretary
Membership Number: A49310

Place : Bengaluru
Date : 7th June 2022

Independent Auditor's Report

To
The Members of **Stelis Biopharma Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Stelis Biopharma Limited "the Parent" and its subsidiaries, (Parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March 2022, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2022, 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 specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Material uncertainty related to Going Concern

We draw attention to Note 2.2 (b) of the consolidated financial statements, which indicates that the Group has incurred a net loss of ₹ 2,311.60 million during the year ended 31st March 2022 and, as of that date, the Group's current liabilities exceeded its current assets by ₹ 2,975.99 million. These events or conditions, along with other matters as set forth in Note 2.2 (b), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. However, the consolidated financial statements of the Group have been prepared on a going concern basis for the reasons stated in the said Note.

Our opinion is not modified in respect of this matter.

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. In addition to the matter described in the Material Uncertainty Related to Going Concern section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report.

Sl. No.	Key Audit Matter	Response to Key Audit Matter
1	**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 Contract Development and Manufacturing Organization - CDMO unit) as at 31st March 2022:** 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 CDMO unit both aggregating to ₹ 11,039 million) as at 31st March 2022.	**Our principal audit procedures performed, among other procedures included:** • We obtained an understanding of the Management's process for impairment assessment of the carrying value of assets of the CGU. • Evaluated the design and implementation of the relevant controls and carried out testing of the management's control around the impairment assessment.

Sl. No.	Key Audit Matter	Response to Key Audit Matter
	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. 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: • 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, • discount rate • probabilities applied to the revenues which also factors management's best estimate of possible delay in product development cycle and regulatory approvals.	• 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. • Evaluated the key assumptions considered in the management's estimates of future cash flows. • Involved our valuation specialists to evaluate the discount rate, terminal growth rate used in the calculations. • 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. • 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 discount rate applied to the future cash flows and terminal growth rate. • 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. • We tested the arithmetical accuracy of the computations. • 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.
2	**Impairment assessment in respect of carrying value of the assets relating to Unit 3 – Vaccine facility (Unit – 3) as at 31st March 2022:** As stated in note 4G of the consolidated financial statements and for the reasons stated in the said note which includes the current geopolitical conflict between Russia and Ukraine and the subsequent sanctions enforced on Russia, the management of the Company has assessed the impairment of carrying value of assets relating to Unit 3 - Vaccine facility aggregating to ₹ 6,170 million as at 31st March 2022. The evaluation requires a comparison of the estimated recoverable value of the CGU to the carrying value of the assets in the CGU. 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: • Generation of revenues in due course from the Vaccine plant and contract manufacturing, • plans to convert the existing vaccine plant for CDMO purpose,	**Our principal audit procedures performed, among other procedures included:** • We obtained an understanding of the Management's process for impairment assessment of the carrying value of assets of the CGU. • Evaluated the design and implementation of the relevant controls and carried out testing of the management's control around the impairment assessment. • 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. • Evaluated the key assumptions considered in the management's estimates of future cash flows. • Involved our valuation specialists to evaluate the discount rate and terminal growth rate used in the calculations.

Sl. No.	Key Audit Matter	Response to Key Audit Matter
	• probabilities applied to the revenues which also factors management's best estimate of possible delay in regulatory approvals, • ability to enforce the existing contract with customer and liquidate inventories as on balance sheet date prior to its shelf life. • attainment of profitable operations, • discount rate	• 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 discount rate applied to the future cash flows and terminal growth rate. • 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. • We tested the arithmetical accuracy of the computations. 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.

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

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Board 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, compared with the audited financial statements of one subsidiary and unaudited financial statements of two subsidiaries, to the extent it relates to these entities and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to subsidiaries, is traced from their unaudited financial statements provided by management and audited financial statement provided by other auditor.

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.

Management's Responsibility 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 Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective 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 intends 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 control 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 system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements.

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 control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹ 632.33 million as at 31st March 2022, total revenues of ₹ Nil and net cash inflows amounting to ₹ 2.06 million for the year ended on that date, as considered in the consolidated financial statements. This financial information has been audited by other auditor whose reports has been furnished to us by the Management and our opinion on the consolidated financial information, 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 subsidiary is based solely on the report of the other auditor.

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹ 0.10 million as at 31st March 2022, NIL revenues and net cash inflows amounting to ₹ 0.10 million for the year ended on that date, as considered in the consolidated financial statements. This financial information is unaudited and have been furnished to us by the Management and our opinion on the consolidated financial information, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

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 matters 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 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 of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

   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) The matter described in the Material uncertainty related to Going Concern section above, in our opinion, may have an adverse effect on the functioning of the Group.

   f) On the basis of the written representations received from the directors of the Parent as on 31st March 2022 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

   g) With respect to the adequacy of the internal financial controls over financial reporting 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 over financial reporting of those companies.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

      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 Company and its subsidiary, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, as disclosed in the note 37 (h) 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 Company or such subsidiary 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 Company or such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (b) The respective Managements of the Parent Company and its subsidiary, which are incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, as disclosed in the note 37 (h) to the consolidated financial statements, no funds have been received by the Parent Company or such subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent Company or such subsidiary 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, 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 Parent Company and its subsidiaries which is company 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.

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, according to the information and explanations given to us, and based on the audit report under section 143 issued by us, we report that CARO is applicable only to the Parent Company and not to any other company included in the consolidated financial statements. We have not reported any qualification or adverse remark in the CARO report of the Parent except for the following:

Name of the company	CIN	Nature of relationship	Clause Number of CARO report with qualification or adverse remark
Stelis Biopharma Limited	U74140KA2007PLC043095	Parent	(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 which is not mitigated (refer note 2.2(b) to the standalone financial statements) 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. 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.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
Firm's Registration No. 008072S

Sathya P. Koushik
Partner
Membership No. 206920
UDIN : 22206920ANOTAV7469

Place: Bengaluru
Date: 7th June 2022

Annexure "A" to the Independent Auditor's Report

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

Report on the Internal Financial Controls Over Financial Reporting 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 of and for the year ended 31st March 2022, we have audited the internal financial controls over financial reporting of **STELIS BIOPHARMA LIMITED** (hereinafter referred to as "the Parent"), as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ("the 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 Parent'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 Parent's internal financial controls over financial reporting 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. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Parent's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 Parent has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, based on the internal control over financial reporting 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.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
Firm's Registration No. 008072S

Sathya P. Koushik
Partner
Membership No. 206920
UDIN : 22206920ANOTAV7469

Place: Bengaluru
Date: 7th June 2022

Consolidated Balance Sheet

as at 31st March 2022

(₹ in million)

Particulars	Note No.	As at 31st March 2022	As at 31st March 2021
A. ASSETS			
I Non-current assets			
(a) Property, Plant and Equipment	4A	11,856.61	6,011.55
(b) Right of use assets	4B	412.09	286.13
(c) Capital work in progress	4C	677.56	776.96
(d) Intangible assets	4D	42.83	28.47
(e) Intangible assets under development	4E	4,219.35	3,528.93
(f) Financial assets			
(i) Security deposits	5	110.73	39.64
(g) Other non-current assets	6	1,993.42	919.20
Total non-current assets		**19,312.59**	**11,590.88**
II Current assets			
(a) Inventories	7	2,754.79	48.94
(b) Financial assets			
(i) Trade receivables	8	236.43	22.23
(ii) Cash and cash equivalents	9A	1,217.55	672.85
(iii) Bank balances other than (ii) above	9B	479.82	104.84
(c) Other current assets	6	422.38	138.33
Total current assets		**5,110.97**	**987.19**
Total assets (I+II)		**24,423.56**	**12,578.07**
B. EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	10A	30.36	15.43
(b) Other equity	10B	10,094.43	7,744.77
Total Equity		**10,124.79**	**7,760.20**
II Liabilities			
1 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	11	5,972.57	3,093.22
(ii) Lease liabilities	12	218.14	96.13
(b) Provisions	13	21.14	17.50
Total Non-current liabilities		**6,211.85**	**3,206.85**
2. Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	5,570.18	765.94
(ii) Lease Liabilities	12	54.06	11.91
(iii) Trade payables	15		
(A) total outstanding dues of micro enterprises and small enterprises		138.41	18.52
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		487.02	409.72
(iv) Other financial liabilities	16	1,527.44	258.72
(b) Provisions	13	33.32	27.16
(c) Other current liabilities	17	276.49	119.05
Total Current Liabilities		**8,086.92**	**1,611.02**
Total Equity and liabilities (I+II)		**24,423.56**	**12,578.07**

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

Sathya P Koushik
Partner
Membership Number: 206920

P R Kannan
Executive Director & CFO
DIN : 03435209

Arun Kumar
Non- Executive Director
DIN: 00084845

Puja Aggarwal
Company Secretary
Membership Number: A49310

Place : Bengaluru
Date : 7th June 2022

Place : Bengaluru
Date : 7th June 2022

Consolidated Statement of Profit and Loss

for the period ended 31st March 2022

(₹ in million)

Sl No	Particulars	Note No.	Year ended 31st March 2022	Year emded 31st March 2021
1	Revenue from operations	18	1,321.27	213.90
2	Other income	19	37.70	10.05
3	**Total income (1+2)**		**1,358.97**	**223.95**
4	**Expenses**			
	(a) Consumables	20	1,603.40	205.19
	(b) Changes in inventories of finished goods and work-in-progress	21	(1,046.37)	-
	(c) Employee benefits expenses	22	609.89	356.02
	(d) Finance costs	23	680.26	158.16
	(e) Depreciation and amortisation expenses	24	703.49	344.04
	(f) Other expenses	25	1,120.95	366.15
	Total expenses (4)		**3,671.62**	**1,429.56**
5	**Loss before tax (3-4)**		**(2,312.65)**	**(1,205.61)**
6	**Tax expense**			
	Current tax		-	2.68
	Current tax of subsidiary -reversal of excess provision of prior year		(1.05)	-
	Total tax expense		**(1.05)**	**2.68**
7	**Loss for the period (5-6)**		**(2,311.60)**	**(1,208.29)**
8	**Other Comprehensive Income**			
	Items that will not be reclassified to statement of profit and loss			
	- Remeasurements of post employment benefit obligations-gain / (loss)		2.75	1.76
	- Income tax relating to these items		-	-
	Items that may be reclassified to statement of profit and loss			
	- Exchange differences in translating the financial statements of foreign operations		17.99	(11.37)
	- Income tax relating to these items		-	-
9	**Total other comprehensive income**		**20.74**	**(9.61)**
10	**Total comprehensive income/(loss) for the period (7+9)**		**(2,290.86)**	**(1,217.90)**
11	**Earnings per equity share (of ₹ 1/- each)**	30		
	- Basic		(65.25)	(66.65)
	- Diluted		(65.25)	(66.65)

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

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Puja Aggarwal
Company Secretary
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Place : Bengaluru
Date : 7th June 2022

Place : Bengaluru
Date : 7th June 2022

Consolidated Cash Flow Statement

for the year ended 31st March 2022

(₹ in million)

Particulars	For the year ended 31st March 2022		For the year ended 31st March 2021	
A. Cash flow from operating activities				
Profit / (Loss) for the period		(2,311.60)		(1,208.29)
Adjustments for:				
Depreciation and amortisation	703.49		344.04	
Finance costs	680.26		158.16	
Interest income	(10.44)		(6.07)	
Other income	(0.36)		-	
Sundry creditors written off	(8.82)		-	
Gain on sale of asset	(0.07)		-	
Loss on disposal of investment in subsidiary	1.13		-	
Unrealised exchange (gain)/loss (net)	109.01		15.21	
		1,474.20		**511.34**
Operating profit / (loss) before working capital changes		(837.40)		(696.95)
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Trade receivable	(214.20)		(22.68)	
Other assets (financial & non-financial)	(781.21)		(361.17)	
Decrease / (increase) in inventories	(2,705.85)		(48.94)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	119.21		58.16	
Other liabilities (financial & non-financial)	260.59		(95.59)	
		(3,321.46)		**(470.22)**
Net cash used for operating activities		**(4,158.86)**		**(1,167.17)**
Income taxes paid (net)		-		(8.66)
Net cash flow from / (used in) operating activities (A)		**(4,158.86)**		**(1,175.83)**
B. Cash flow from investing activities				
Capital expenditure on property, plant and equipments including capital advances	(6,551.86)		(2,074.37)	
(Increase)/decrease in balance held as margin money	(374.98)		(5.40)	
Interest received	10.44		6.07	
Net cash flow from / (used in) investing activities (B)		**(6,916.04)**		**(2,073.70)**
C. Cash flow from financing activities				
Proceeds from issue of equity shares	4,655.47		4,808.02	
Proceeds from share application money pending allotment	-		0.02	
Proceeds of short term borrowings	-		481.50	
Repayment of short term borrowings	-		(781.50)	
Proceeds of long-term borrowings	9,493.38		110.00	
Repayment of long-term borrowings	(1,840.84)		(644.58)	
Interest paid	(688.41)		(163.87)	
Net cash flow from / (used in) financing activities (C)		**11,619.60**		**3,809.59**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**544.70**		**560.06**
Cash and cash equivalents at the beginning of the year		672.85		112.79
Cash and cash equivalents at the end of the period		**1,217.55**		**672.85**

Consolidated Cash Flow Statement

for the year ended 31st March 2022

(₹ in million)

Particulars		For the year ended 31st March 2022		For the year ended 31st March 2021
Reconciliation of cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet (Refer Note 9A)		1,217.55		672.85
Cash and cash equivalents at the end of the period *		**1,217.55**		**672.85**
* Cash and cash equivalents comprises:				
Cash on hand		0.57		0.49
Balances with banks				
- In current accounts		1,216.98		672.36
Total		**1,217.55**		**672.85**

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

Sathya P Koushik
Partner
Membership Number: 206920

P R Kannan
Executive Director & CFO
DIN : 03435209

Arun Kumar
Non- Executive Director
DIN: 00084845

Puja Aggarwal
Company Secretary
Membership Number: A49310

Place : Bengaluru
Date : 7th June 2022

Place : Bengaluru
Date : 7th June 2022

Consolidated Statement of Changes in Equity

for the year ended 31st March 2022

A. Equity Share Capital

(1) Current reporting period

(₹ in million)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
15.43	-	-	14.93	30.36

(2) Previous reporting period

(₹ in million)

Balance at the beginning of the current reporting period	Changes in Equity ShareCapital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
9.45	-	-	5.98	15.43

B. Other equity

(₹ in million)

Particulars	Share application money pending allotment	Reserves and Surplus		Other comprehensive income - Foreign currency translation	Total equity attributable to equity holders of the Company
		Securities premium account	Retained earnings		
Balance as at 1st April 2020	25.00	6,934.20	(2,798.59)	-	4,160.61
Loss for the year	-	-	(1,208.29)	-	(1,208.29)
Issue of shares pursuant to exercise of share warrants	(25.00)	-	-	-	(25.00)
Premium received on shares issued during the year	0.02	4,827.04	-	-	4,827.06
Total Comprehensive Income for the currect year	-	-	1.76	(11.37)	(9.61)
Balance as at 31st March 2021	**0.02**	**11,761.24**	**(4,005.12)**	**(11.37)**	**7,744.77**
Loss for the period	-	-	(2,311.60)	-	(2,311.60)
Issue of shares pursuant to exercise of share warrants	(0.02)	-	-	-	(0.02)
Bonus Issue		(9.97)			(9.97)
Premium received on shares issued during the period	-	4,650.51	-	-	4,650.51
Total Comprehensive Income for the currect year	-	-	2.75	17.99	20.74
Balance as at 31st March 2022	**-**	**16,401.78**	**(6,313.97)**	**6.62**	**10,094.43**

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

Sathya P Koushik
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Puja Aggarwal
Company Secretary
Membership Number: A49310
Place : Bengaluru
Date : 7th June 2022

Place : Bengaluru
Date : 7th June 2022

Notes Forming Part of the Consolidated Financial Statements

or the year ended 31st March 2022

Note No.

1 General Information

Stelis Biopharma Limited (formerly known as Stelis Biopharma Private Limited) (the 'Company' or 'Stelis') was incorporated in the state of Karnataka on 12th June 2007 with the object of providing biotechnology process development services for healthcare industries. The Company and its subsidiary are together referred as "Group".

These financial statements comprise the Consolidated Balance sheet of the Company, Consolidated Statement of Profit and Loss (including Other Comprehensive Income) and Consolidated Cash flow statement, Consolidated statement of changes in equity and significant accounting policies and other explanatory information (together the "consolidated financial statements").

2 Significant accounting policies

2.1 Statement of compliance

These consolidated financial statements have been prepared to comply in all material aspects with the 'Indian Accounting Standards' ("Ind AS") notified under Section 133 of the Companies Act, 2013(the "Act") read with Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter, as applicable to the Company, and other relevant provisions of the Act.

2.2 Basis of preparation and presentation

2.2 (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 period, 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 for assets.

2.2 (b) During the year ended 31st March 2022, the company incurred a loss of ₹ 2,312 million and has a net negative working capital position amounting to ₹ 2,976 million (including current maturities of long-term debt of ₹ 3,732 million) as at 31st March 2022.

As of 31st March 2022, the Company has inventories relating to Sputnik Light, which remains unsold due to the geopolitical situation between Russia and Ukraine and sanctions on Russia and Russian Direct Investment Fund (RDIF). The management of the Company is confident of liquidating these inventories within the shelf life in the ordinary course of business (refer to note 8).

Further, the Company has shown significant growth in the Contract Development and Manufacturing (CDMO) business, which the company's management expects to grow further in the coming years. For the financial year 2021-22, the company reported revenues of ₹ 1,321 million in FY22 as compared to ₹ 214 million in FY21. However, the company's profitability was impacted by high un-utilized facility costs of the new facility which was commissioned during the year and did not contribute to revenues.

The increase in the revenues for FY22 resulted from new orders received by the company for the drug product facility with continued traction for cartridges, high-speed vial fill-finish, and lyophilized vials. These revenues have been part of the manufacturing services contracts (generally referred to as Manufacturing Services Agreements) executed by the company with its partners or clients at the pre-approval stage such that the partners or clients make necessary submissions to the regulators. These contracts can potentially translate into a substantial value in commercial sales (generally referred to as Commercial Sales agreement) after the partner's products receive the required regulatory approvals. The Management expects better financial outcome over the coming years and remains highly confident of achieving the business plan that is set for the CDMO business of the Company.

In the biosimilar development business, the Company made some progress with its key programs such as rh-teriparatide (PTH or biosimilar to Forsteo®), insulin glargine (biosimilar to Lantus®), and Semaglutide (generic to Ozempic®). In the insulin glargine program, the Company completed the phase 1 trials initiated in India. The Company completed the NCE-1 filing with the USFDA for Semaglutide. During the year, the Company also continued its engagement with the European Medicine Agency (EMA) to seek approval for PTH (The file was submitted to EMA in FY21). The company further entered into new business-to-business contracts to out-license PTH in several major markets across the Globe. These partnerships would result in licensing income for the company after it achieves necessary regulatory and development outcomes.

During the year, The Company in-licensed AmbiVax-CTM – the world's first and only thermostable Covid

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31st March 2022

vaccine, developed by Akston Biosciences, United States. The Vaccine is currently under the Emergency Use Authorization (EUA) process for approval as a primary vaccine in India. The Company expects to receive the EUA within the first half of the year 2022, after which it can be launched in India.

The Company has requested temporary relaxations for compliance with the financial covenants from the lenders as these have not been met as of the date of these financial results and is hopeful of receiving the necessary waivers and accordingly has considered the preexisting repayment terms. Also, some of the shareholders of the Company and Mr. Arun Kumar Pillai (Key managerial person) have committed to extending the required financial support that the Company would need for its business. Subsequent to the year end, the Company has received ₹ 610.87 million towards conversion of 1,158,600 partly paid-up shares that were held by some of the shareholders, into fully paid up shares of the Company.

While a material uncertainty exists in respect of the Company's going concern due to the various factors mentioned above, given the above mitigation plans that the management has laid out, the board of directors of the Company expects that the Company should be able to generate /raise adequate resources to continue operating and meet its obligations in the ordinary course of business and has accordingly approved the preparation of the financial statements on a Going concern basis.

2.2 (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.

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 period 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 :-

Sr. No.	Name of the Subsidiary	% of Holding	Country of Incorporation
1	Stelis Pte ltd	100%	Singapore
2	Biolexis Private Limited	100%	India

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2.3 Revenue recognition

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government) and is recorded net of provisions for sales discounts and returns, which are established at the time of sale. Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional. Where the collection of accounts receivable is expected to be after one year from the date of sale, revenues are discounted for the time value of money.

2.3.1 Sale of Services

Revenue from development services is recognised on achievement of a development milestone and when it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Revenue from fixed-price, fixed time frame contracts, where the performance obligations are satisfied overtime is recognized on a straight-line basis over the specified period unless some other method better represents the stage of completion, provided there is no uncertainty as to measurement or collectability of the consideration.

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.

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 Stelis Biopharma Limited. 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 period, 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 period 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. Contracts in which all the risks and rewards of the lease are substantially transferred to the lessee are classified as a finance lease. All other leases are classified as operating leases.

Leases, for which the Group is an intermediate lessor, it accounts for the head-lease and sub-lease as two separate contracts. The sub-lease is classified as a finance lease or an operating lease by reference to the RoU asset arising from the head-lease.

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.

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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.

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 period 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.

Interest 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 period 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 period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period 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 benefit 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 annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period 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 in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period 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

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The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

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 period 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 period 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.

2.9 Taxation

The income tax expense or credit for the year is the tax payable on the current period'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 period.

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 period 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 period 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 period.

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 period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include 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.

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2.9.3 Current and deferred tax for the year

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

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 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 period, 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
Mobile phones	: 3 years
Certain factory buildings	: 18 years

Individual assets costing less than ₹ 5,000 are depreciated in full in the year of purchase.

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

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 period, 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 period 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;

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- 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 period 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.

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

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 and, where applicable, excise duty. Cost is determined as follows:

Raw materials, packing materials and consumables	Weighted avearge basis
Stock in trade	Weighted avearge basis

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 period, 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

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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 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 collaterized borrowing for the proceeds recieved. Financial liabilities are derecognised when these are extingushed, 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 period, 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

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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 period 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 the periods 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.

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 financial statements and the reported amounts of income and expenses during the reported period. 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 period 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

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods.

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 pre-tax future cash flows attributable to the assets and a pre-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 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

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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 28.

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 financial statements remains appropriate. Also see Note 2.2(b).

3.1.6 Leases under Ind AS 116

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period 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 periods is reassessed to ensure that the lease term reflects the current economic circumstances.

3.1.7 Estimation uncertainties relating to the global health pandemic from Corona Virus (COVID-19):

As at 31st March 2022, the Company has considered possible effects that may result from the pandemic relating to COVID-19 and geopolitical situation in Russia and Ukraine, in preparation of the 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 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 global health pandemic and 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.

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Note No. 4A Property, Plant and Equipment

(₹ in million)

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 1st April 2021	Additions	Disposals	As at 31st March 2022	As at 1st April 2021	Depreciation expense for the year	Eliminated on disposal of assets	As at 31st March 2022	As at 31st March 2022	As at 31st March 2021
Buildings	1,166.80	262.03	-	1,428.83	105.93	62.33	-	168.26	1,260.57	1,060.87
	(678.74)	(488.06)	-	(1,166.80)	(66.00)	(39.93)	-	(105.93)	(1,060.87)	(612.74)
Plant and Machinery	5,468.61	6,100.19	0.20	11,568.60	659.49	563.53	0.02	1,223.00	10,345.60	4,809.12
	(3,047.63)	(2,420.98)	-	(5,468.61)	(394.44)	(265.05)	-	(659.49)	(4,809.12)	(2,653.19)
Office equipments	82.29	34.69	-	116.98	32.18	17.91	-	50.09	66.89	50.11
	(69.29)	(13.00)	-	(82.29)	(17.86)	(14.32)	-	(32.18)	(50.11)	(51.43)
Computers	75.44	80.97	-	156.41	33.99	21.49	-	55.48	100.93	41.45
	(58.04)	(17.40)	-	(75.44)	(19.92)	(14.07)	-	(33.99)	(41.45)	(38.12)
Furniture and fixtures	56.31	40.13	-	96.44	7.81	7.30	-	15.11	81.33	48.50
	(15.60)	(40.71)	-	(56.31)	(4.06)	(3.75)	-	(7.81)	(48.50)	(11.54)
Vehicles	1.72	-	-	1.72	0.22	0.21	-	0.43	1.29	1.50
	(1.72)	-		(1.72)	(0.01)	(0.21)		(0.22)	(1.50)	(1.71)
Total	**6,851.17**	**6,518.01**	**0.20**	**13,368.98**	**839.62**	**672.77**	**0.02**	**1,512.37**	**11,856.61**	**6,011.55**
Previous year	**(3,871.02)**	**(2,980.15)**	**-**	**(6,851.17)**	**(502.29)**	**(337.33)**	**-**	**(839.62)**	**(6,011.55)**	**(3,368.73)**

Note:-

(i) Figures in bracket relates to previous year

Note No. 4B Right of Use Assets

(₹ in million)

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 1st April 2021	Additions	Disposals	As at 31st March 2022	As at 1st April 2021	Depreciation expense for the year	Eliminated on disposal of assets	As at 31st March 2022	As at 31st March 2022	As at 31st March 2021
Land	157.35	-	-	157.35	4.82	1.63	-	6.45	150.90	152.53
	(157.35)	-	-	(157.35)	(1.66)	(3.16)	-	(4.82)	(152.53)	(155.69)
Building	132.89	188.85	-	321.74	2.86	60.40	-	63.26	258.48	130.03
	-	(132.89)	-	(132.89)	-	(2.86)	-	(2.86)	(130.03)	-
Plant and Machinery	4.31	-	-	4.31	0.74	0.86	-	1.60	2.71	3.57
	-	(4.31)	-	(4.31)	-	(0.74)	-	(0.74)	(3.57)	-
Total	**294.55**	**188.85**	**-**	**483.40**	**8.42**	**62.89**	**-**	**71.31**	**412.09**	**286.13**
Previous year	**(157.35)**	**(137.20)**	**-**	**(294.55)**	**(1.66)**	**(6.76)**	**-**	**(8.42)**	**(286.13)**	**(155.69)**

Note:-

(i) Figures in bracket relates to previous year

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Note No. 4C Capital Work in Progress

(₹ in million)

Particulars	As at 31st March 2022	As at 31st March 2021
Opening Balance	776.96	2,912.63
Add: Additions during the year	6,442.21	844.48
Less: Capitalised during the year	(6,541.61)	(2,980.15)
Closing Balance	**677.56**	**776.96**

(₹ in million)

Capital Work in Progress	Amount in CWIP for a period of				As at 31st March 2022
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	417.98	18.97	91.42	149.19	677.56
	417.98	**18.97**	**91.42**	**149.19**	**677.56**

Capital Work in Progress	Amount in CWIP for a period of				As at 31st March 2021
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	356.74	153.03	64.35	202.84	776.96
	356.74	**153.03**	**64.35**	**202.84**	**776.96**

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Note No. 4D Intangible Assets

(₹ in million)

Particulars	Gross block				Accumulated depreciation				Net block	
	As at 1st April 2021	Additions	Disposals	As at 31st March 2022	As at 1st April 2021	Depreciation expense for the year	Eliminated on disposal of assets	As at 31st March 2022	As at 31st March 2022	As at 31st March 2021
Software licences	39.20	23.60	-	62.80	10.73	9.24	-	19.97	42.83	28.47
	(17.97)	(21.23)	-	(39.20)	(6.46)	(4.27)	-	(10.73)	(28.47)	(11.51)
Total	**39.20**	**23.60**	**-**	**62.80**	**10.73**	**9.24**	**-**	**19.97**	**42.83**	**28.47**
Previous year	**(17.97)**	**(21.23)**	**-**	**(39.20)**	**(6.46)**	**(4.27)**	**-**	**(10.73)**	**(28.47)**	**(11.51)**

Notes:-

(i) Figures in bracket relates to previous year

Note No. 4E Intangible assets under development

(₹ in million)

Particulars	As at 31st March 2022	As at 31st March 2021
Intangible assets under development	4,219.35	3,528.93
Total	**4,219.35**	**3,528.93**

(₹ in million)

Intangible assets under development	Amount for a period of				As at 31st March 2022
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	673.52	1,031.17	547.88	1,966.78	4,219.35
	673.52	**1,031.17**	**547.88**	**1,966.78**	**4,219.35**

Intangible assets under development	Amount in Intangible assets under development for a period of				As at 31st March 2021
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,014.31	547.88	504.12	1,462.63	3,528.93
	1,014.31	**547.88**	**504.12**	**1,462.63**	**3,528.93**

Note :- During previous year, pursuant to license transfer agreement with Biolexis Pte Limited dated 6th July 2020, the Group has purchased Intellectual property rights for two product for a consideration of ₹ 481.65 (USD 6.6 million) based on the fair valuation carried out by independent valuer.

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31st March 2022

Note No. 4F - Annual Impairment assessment (CDMO 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 ₹ 11,039 million as at 31st March 2022. 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 and
- discount factors
- probabilities applied to the revenues which also factors management’s best estimate of possible delay in product development cycle and regulatory approvals.

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 22% (31st March 2021: 22%). 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% (31st March 2021: 5%) p.a. which is consistent with the industry forecasts for the biosimilar market.

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 8.73%
- Increase in discount rate by 6.9% and nil terminal growth rate
- Decrease in growth rates of Revenue by 12.89% for short term and 3.5% for long term”

Note No. 4G - Annual Impairment assessment (Unit - 3 Vaccine facility):

Considering the current geopolitical situation between Russia and Ukraine and the subsequent sanctions enforced on Russia, the Management of the Company have performed impairment assessment of the carrying value of the assets of the Unit - 3 Vaccine facility amounting to ₹ 6,170 million as at 31st March 2022. 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 Unit 3- Vaccine facillity’s expected future cash flows. These estimates and assumptions, primarily include, but are not limited to:

- Generation of revenues in due course from the Vaccine facility and contract manufacturing,
- plans to convert the existing vaccine facility for CDMO purpose,
- probabilities applied to the revenues which also factors management’s best estimate of possible delay in regulatory approvals,
- ability to enforce the existing contract with customer and liquidate inventories as on balance sheet date prior to its shelf life.
- attainment of profitable operations,
- discount rate

Notes Forming Part of the Consolidated Financial Statements

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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 25% (31st March 2021: Not applicable). 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% (31st March 2021: Not Applicable) p.a. which is consistent with the industry forecasts for the biosimilar market.

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 8.2%
- Increase in discount rate by 7.7% and nil terminal growth rate
- Decrease in growth rates of Revenue by 9.1% for short term and 3% for long term

Note No. 5 Other Financial assets

(₹ in million)

Particulars	As at 31st March 2022		As at 31st March 2021	
	Current	Non- Current	Current	Non- Current
Security Deposits	-	110.73	-	39.64
Total	**-**	**110.73**	**-**	**39.64**

Note No. 6 Other assets

(₹ in million)

Particulars	As at 31st March 2022		As at 31st March 2021	
	Current	Non- Current	Current	Non- Current
Unsecured, considered good:				
- Capital advances	-	1,122.78	-	348.67
- Balances with government authorities				
- VAT/CST refund receivable	-	12.74	-	12.74
- GST credit & other receivable	-	799.08	-	544.35
- TDS receivable	-	58.82	-	13.44
- Advances to vendors	110.92	-	133.28	-
- Advances to employees	2.16	-	2.74	-
- Prepaid expenses	309.30	-	2.31	-
Total	**422.38**	**1,993.42**	**138.33**	**919.20**

Note No. 7 Inventories

(₹ in million)

Particulars	As at 31st March 2022	As at 31st March 2021
Raw materials	1,082.19	-
Work-in-progress	476.30	-
Finished goods	570.07	-
Consumables	626.23	48.94
Total	**2,754.79**	**48.94**

Notes Forming Part of the Consolidated Financial Statements
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Note No. 7 Inventories (Contd.)

Inventories relating to Sputnik light COVID-19 Vaccine

The Company and the Russian Direct Investment Fund (RDIF, Russia's sovereign wealth fund) entered into a manufacturing and supply agreement to produce Russian Sputnik Covid-19 vaccine. The agreement between RDIF and the Company was reached under the aegis of Enso Healthcare LLP, RDIF's coordination partner for sourcing Sputnik light vaccines in India.

The Company has also received an order for 50 million doses of the Sputnik light vaccine to be exported to Russia, Iran and other countries. The Company has also received the Government of India's No Objection Certificate (NOC) to export to the said countries.

As of 31st March 2022, the Company has inventories relating to Sputnik light of ₹ 2,754.79 million.

Due to geopolitical situation between Russia and Ukraine and sanctions on Russia, the Company has short-term challenges in liquidating these inventories. All these inventories have remaining shelf life and the management is confident of liquidating these inventories within the shelf life in the normal course of business.

Note No. 8 Trade receivables

(₹ in million)

Particulars	As at 31st March 2022		As at 31st March 2021	
	Current	Non- Current	Current	Non- Current
Unsecured, considered good:				
Trade receivables considered good - unsecured	236.43	-	22.23	-
Total	**236.43**	**-**	**22.23**	**-**

Particulars	Outstanding for following periods from due date of payment					As at 31st March 2022
	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	236.21	0.19	-	0.01	0.02	236.43
	236.21	**0.19**	**-**	**0.01**	**0.02**	**236.43**

Particulars	Outstanding for following periods from due date of payment					As at 31st March 2021
	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	22.20	-	0.01	0.02	-	22.23
	22.20	**-**	**0.01**	**0.02**	**-**	**22.23**

Note No. 9A Cash and cash equivalents

(₹ in million)

Particulars	As at 31st March 2022	As at 31st March 2021
Cash on hand	0.57	0.49
Balances with banks		
- in current accounts	1,216.98	672.36
Total	**1,217.55**	**672.85**

Notes Forming Part of the Consolidated Financial Statements

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Note No. 9B Other balances with banks

(₹ in million)

Particulars	As at 31st March 2022	As at 31st March 2021
Balance held as margin money:		
- against borrowings facilities with banks	479.82	104.84
Total	**479.82**	**104.84**

Note No. 10A Equity Share Capital

(₹ in million)

Particulars	As at 31st March 2022	As at 31st March 2021
Authorised		
50,000,000 Equity shares of ₹ 1/- each with voting rights (3,550,000 Equity shares of ₹ 10/- each with voting rights as on 31st March 2021)	50.00	35.50
	50.00	**35.50**
Issued, subscribed and fully paid up		
39,096,280 Equity shares of ₹ 1/- each with voting rights 29,896,810 Fully paid equity share of ₹ 1/- 9,199,470 Partly paid equity share of ₹ 0.05/- (1,543,309 Equity shares of ₹ 10/- each with voting rights as on 31st March 2021)	30.36	15.43
Total	**30.36**	**15.43**

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

(₹ in million)

Particulars	Opening Balance	Issue of shares during the year	Closing Balance
Equity shares of ₹ 1/- each with voting rights			
Year Ended 31st March 2022			
No. of Shares	1,543,309	28,353,501	29,896,810
Amount ₹ in million	15.43	14.47	29.90
Partly paid equity shares of ₹ 0.05/- each			
Year Ended 31st March 2022			
No. of Shares	-	9,199,470	9,199,470
Amount ₹ in million	-	0.46	0.46
Year Ended 31st March 2021			
No. of Shares	945,011	598,298	1,543,309
Amount ₹ in million	9.45	5.98	15.43

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

On 14 July 2021, pursuant to the shareholders approval, the Company has made a bonus issue of equity shares in the ratio of 1:2 for all its shareholders. Further, the Company has sub-divided the equity shares in the ratio of 10:1 i.e., sub-dividing the equity shares of face value of ₹ 10/- each into equity shares of face value ₹ 1/- each.

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Note No. 10A 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 31st March 2022			% Change during the Year
			Fully paid Equity Shares	Partly paid equity shares	%	
Tenshi Life Sciences Private Limited	266,760	5,705,955	4,001,400	1,971,315	15.28%	14.59%
Karuna Business Solutions LLP	-	5,388,255	-	5,388,255	13.78%	13.78%

Name of shareholder	No. of shares at the beginning of the year	Change during the year	As at 31st March 2021	
			Fully paid Equity Shares	%
Tenshi Life Sciences Private Limited	249,382	17,378	266,760	17.28%
Karuna Business Solutions LLP	-	-	-	0.00%

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

(₹ in million)

Particulars	As at 31st March 2022		As at 31st March 2021	
	Number of shares	%	Number of share	%
Strides Pharma Science Limited	11,089,320	28.36%	739,288	0.00%
Tenshi Life Sciences Private Limited	5,972,715	15.28%	266,760	0.00%
Karuna Business Solutions LLP	5,388,255	13.78%	-	0.00%
Medella Holdings Pte Ltd	5,186,190	13.27%	345,746	0.00%
Route One Fund I, L.P	2,687,200	6.87%	-	0.00%
TIMF Holdings	2,516,700	6.44%	-	0.00%

Note No. 10B Other equity

(₹ in million)

Particulars	Note no.	As at 31st March 2022	As at 31st March 2021
Securities premium account	10C (i)	16,401.78	11,761.24
Retained earnings	10C (ii)	(6,307.35)	(4,016.49)
Share application money pending allotment	10C (iii)	-	0.02
Total		**10,094.43**	**7,744.77**

(₹ in million)

Particulars	As at 31st March 2022	As at 31st March 2021
(A) Reserves and surplus		
(i) Security premium account		
Amounts received on issue of shares in excess of the par value has been classified as securities premium.		
Opening balance	11,761.24	6,934.20
Less Bonus Issue	(9.97)	-
Add: Premium on equity shares issued during the year	4,650.51	4,827.04
Closing balance	**16,401.78**	**11,761.24**
(ii) Retained earnings		
Retained earnings comprises of the amounts that can be distributed by the Company as dividends to its equity share holders.		
Opening balance	(4,016.49)	(2,798.59)
Add: Loss for the year	(2,311.60)	(1,208.29)
Add: Remeasurements of post-employment benefit obligation (net of tax)	2.75	1.76

Notes Forming Part of the Consolidated Financial Statements

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Note No. 10B Other equity (Contd.)

(₹ in million)

Particulars	As at 31st March 2022	As at 31st March 2021
Add: Exchange differences in translating the financial statements of foreign operations	17.99	(11.37)
Closing balance	**(6,307.35)**	**(4,016.49)**
(iii Share application money pending allotment		
Share application money pending allotment account represents the share allotment monies received by the company but pending allotment as on the reporting date.		
Opening balance	0.02	25.00
Add: Addition during the year	-	0.02
Less: Shares allotted during the year	(0.02)	(25.00)
Closing balance	**-**	**0.02**
Total reserves and surplus	**10,094.43**	**7,744.77**

Note No. 11 Non-current borrowings

(₹ in million)

Particulars	As at 31st March 2022	As at 31st March 2021
Secured borrowings:		
- *Termloans from banks* (Refer note 1 below)	5,972.57	3,093.22
Total	**5,972.57**	**3,093.22**

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 31st March 2022	As at 31st March 2021
Non-current borrowings	667.15	1,586.64
Current maturities of non-current borrowings	265.53	483.28
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 + 3.65% Repayment to be made over 28 equal quarterly instalments. The outstanding term as at 31st March 2022 are 14 installments. (31st March 2021: 18 installments) The loan is supported by corporate guarantee of Strides Pharma Science Limited.		

(₹ in million)

Terms of repayment and security - Loan 2	As at 31st March 2022	As at 31st March 2021
Non-current borrowings	304.70	414.15
Current maturities of non-current borrowings	109.61	108.98
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 + spread Repayment to be made over 28 equal quarterly instalments. The outstanding term as at 31st March 2022 are 15 instalments. (31st March 2021: 19 installments) The loan is supported by corporate guarantee of Strides Pharma Science Limited.		

Notes Forming Part of the Consolidated Financial Statements
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Note No. 11 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 3	As at 31st March 2022	As at 31st March 2021
Non-current borrowings	1,259.85	984.72
Current maturities of non-current borrowings	374.99	171.39
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 Repayment to be made over 20 equal quarterly instalments starting from July-21. The outstanding term as at 31st March 2022 are 20 instalments. (31st March 2021: 20 installments) The loan is supported by corporate guarantee of Strides Pharma Science Limited.		

(₹ in million)

Terms of repayment and security - Loan 4	As at 31st March 2022	As at 31st March 2021
Non-current borrowings	512.68	-
Current maturities of non-current borrowings	2,008.70	-
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% Repayment to be made over 48 equal quarterly instalments starting from Mar-22. The outstanding term as at 31st March 2022 are 48 instalments. (31st March 2021: 48 installments)		

(₹ in million)

Terms of repayment and security - Loan 5	As at 31st March 2022	As at 31st March 2021
Non-current borrowings	80.21	107.71
Current maturities of non-current borrowings	27.50	2.29
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% Repayment to be made over 48 equal quarterly instalments. The outstanding term as at 31st March 2022 are 47 instalments. (31st March 2021: 48 installments)		

(₹ in million)

Terms of repayment and security - Loan 6	As at 31st March 2022	As at 31st March 2021
Non-current borrowings	680.43	-
Current maturities of non-current borrowings	269.40	-
Security: The said loan was secured by first pari passu charge of movable and immoveable assets of the Company Rate of interest: 8.75% Repayment to be made over 16 equal quarterly instalments. The outstanding term as at 31st March 2022 are 14 instalments. (31st March 2021: Nil installments) The loan is supported by corporate guarantee of Strides Pharma Science Limited.		

Notes Forming Part of the Consolidated Financial Statements

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Note No. 11 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 7	As at 31st March 2022	As at 31st March 2021
Non-current borrowings	2,022.23	-
Current maturities of non-current borrowings	666.34	-
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 quarterly instalments starting from Oct-22. (31st March 2021: Nil installments) The loan is supported by corporate guarantee of Strides Pharma Science Limited.		

(₹ in million)

Terms of repayment and security - Loan 8	As at 31st March 2022	As at 31st March 2021
Non-current borrowings	249.49	-
Current maturities of non-current borrowings	5.31	-
Security: The said loan was secured by first pari passu charge of movable and immoveable assets of the Company Rate of interest: 9.25% Repayment to be made over 48 equal quarterly instalments starting from Mar-23. (31st March 2021: Nil installments)		

(₹ in million)

Terms of repayment and security - Loan 9	As at 31st March 2022	As at 31st March 2021
Non-current borrowings	195.83	-
Current maturities of non-current borrowings	4.17	-
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% Repayment to be made over 48 equal quarterly instalments starting from Mar-23. (31st March 2021: Nil installments)		

Note 2

The above loan includes borrowings repayable in USD of ₹ 613.17 million (including current maturities of ₹ 483.28) on which interest is payable at 3 month Libor plus margin of 3.65% p.a. However, as the Company has taken interest rate swap with the same party from whom the loan is availed, and thereby converting the interest rate on the loan to a specified fixed interest rate of 5.88% p.a. Pursuant to the above arrangement, the Company has accrued interest at the rate of 5.88% p.a. on the said loan.

(₹ in million)

Particulars	As at 31st March 2022	As at 31st March 2021
Disclosed under non-current borrowings	5,972.57	3,093.22
Disclosed under current borrowings		
- Current maturities of non-current borrowings	3,731.55	765.94

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31st March 2022

Note No. 12 Lease liabilities

(₹ in million)

Particulars	As at 31st March 2022		As at 31st March 2021	
	Current	Non- Current	Current	Non- Current
- Lease liabilities	54.06	218.14	11.91	96.13
Total	**54.06**	**218.14**	**11.91**	**96.13**

Note No. 13 Provisions

(₹ in million)

Particulars	As at 31st March 2022		As at 31st March 2021	
	Current	Non- Current	Current	Non- Current
Provision for employee benefits:				
- Gratuity	1.81	21.14	0.92	17.50
- Compensated absences	31.51	-	26.24	-
Total	**33.32**	**21.14**	**27.16**	**17.50**

Note No. 14 Current borrowings

(₹ in million)

Particulars	As at 31st March 2022		As at 31st March 2021	
	Current	Non- Current	Current	Non- Current
- Current maturities of non-current borrowings (Refer note 11)	3,731.55	-	765.94	-
- Working capital loans	1,838.63	-	-	-
Total	**5,570.18**	**-**	**765.94**	**-**

Note No. 15 Trade payables

(₹ in million)

Particulars	As at 31st March 2022		As at 31st March 2021	
	Current	Non- Current	Current	Non- Current
- Total outstanding dues of micro enterprises and small enterprises	138.41	-	18.52	-
- Total outstanding dues of creditors other than micro and small enterprises	487.02	-	409.72	-
Total	**625.43**	**-**	**428.24**	**-**

Particulars	Outstanding for following periods from due date of payment				As at 31st March 2022
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
(i) MSME	138.41	-	-	-	138.41
(ii) Others	485.18	0.99	0.07	0.56	486.80
	623.59	**0.99**	**0.07**	**0.56**	**625.21**

Notes Forming Part of the Consolidated Financial Statements

or the year ended 31st March 2022

Note No. 15 Trade payables (Contd.)

Particulars	Outstanding for following periods from due date of payment				As at 31st March 2021
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
(i) MSME	18.52	-	-	-	18.52
(ii) Others	399.49	7.03	2.12	1.08	409.72
	418.01	**7.03**	**2.12**	**1.08**	**428.24**

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

(₹ in million)

Particulars	As at 31st March 2022	As at 31st March 2021
(i) Principal amount remaining unpaid to any suppliers as at the end of the accounting year	138.41	18.08
(ii) Interest due thereon remaining unpaid to any suppliers as at the end of the accounting year	0.26	0.44
(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	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	4.60	3.90
(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	-	-

Note No. 16 Other financial liabilities

(₹ in million)

Particulars	As at 31st March 2022		As at 31st March 2021	
	Current	Non- Current	Current	Non- Current
- Interest accrued but not due on borrowings	34.04	-	42.19	-
- Creditors for capital supplies/services	1,360.22	-	155.96	-
- Payable to related parties	133.18	-	60.57	-
Total	**1,527.44**	**-**	**258.72**	**-**

Note No. 17 Other liabilities

(₹ in million)

Particulars	As at 31st March 2022		As at 31st March 2021	
	Current	Non- Current	Current	Non- Current
- Advance from customers	190.64	-	45.16	-
- Statutory dues	26.30	-	14.34	-
- Grant from Biotechnology Industry Research Assistance Council	59.55	-	59.55	-
Total	**276.49**	**-**	**119.05**	**-**

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31st March 2022

Note No. 18 Revenue from operations

(₹ in million)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Sale of Material	28.57	-
Sale of services	1,292.70	213.17
Other operating revenues	-	0.73
Total	**1,321.27**	**213.90**

Note No. 19 Other income

(₹ in million)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Interest income on financial assets at amortised cost	10.44	6.07
Unwinding of discount on security deposit	1.60	3.98
Profit on sale of investments	16.41	-
Scrap sales	0.36	-
Gain on sale of asset	0.07	-
Sundry Creditors written off	8.82	-
Total	**37.70**	**10.05**

Note No. 20 Cost of materials consumed

(₹ in million)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Opening stock	48.94	-
Add: Purchases	3,262.88	254.13
Less: Closing stock	1,708.42	48.94
Cost of materials consumed	**1,603.40**	**205.19**

Note No. 21 Changes in inventories of finished goods, work-in-progress and stock-in-trade

(₹ in million)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Inventories at the end of the year		
Work-in-progress	476.30	-
Finished goods	570.07	-
	1,046.37	**-**
Inventories at the beginning of the year		
Work-in-progress	-	-
Finished goods	-	-
	-	-
Total	**(1,046.37)**	**-**

Note No. 22 Employee benefit expense

(₹ in million)

	Year ended 31st March 2022	Year ended 31st March 2021
Salaries and wages	514.74	311.09
Contributions to provident and other funds	26.28	17.64
Staff welfare expenses	68.87	27.29
Total	**609.89**	**356.02**

Notes Forming Part of the Consolidated Financial Statements

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Note No. 23 Finance cost

(₹ in million)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Interest expense on borrowings (including exchange differences regarded as an adjustment to borrowing costs)	597.45	124.03
Interest expense on loan from group company	-	11.78
Interest on lease liability	7.51	0.33
Other borrowing cost	75.30	22.02
Total	**680.26**	**158.16**

Note No. 24 Depreciation and amortisation expenses

(₹ in million)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Depreciation on Property, plant and equipment (Refer Note 4A)	672.77	337.33
Depreciation on Right to use assets (Refer Note 4B)	62.89	6.76
Less: Amounts included in the cost of assets	(41.41)	(4.32)
Amortisation on Intangible assets (Refer Note 4D)	9.24	4.27
Total	**703.49**	**344.04**

Note No. 25 Other Expenses

(₹ in million)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Power & Fuel	256.51	83.69
Rates and taxes	28.92	8.86
Rent	10.97	-
Insurance	33.54	7.44
Repairs and maintenance:		
- Machinery	56.21	30.20
- Others	132.60	41.43
Manpower service	44.60	14.91
Housekeeping service	63.16	20.50
Freight and forwarding	35.40	2.32
Business promotion	9.55	3.42
Travelling and conveyance	5.15	2.56
Exchange fluctuation loss (net)	108.88	15.21
Printing and stationery	12.71	5.92
Communication	11.93	19.06
Security Charges	13.11	6.24
Office expense	2.38	3.47
Boarding and lodging	13.79	1.22
Support service charges	94.46	34.96
Legal and professional fees	127.54	52.90
Auditors remuneration (refer note (i) below)	3.86	3.35
Research and development	-	4.64
Regulatory charges	2.58	-
Gardening Charges	4.44	-
Water Charges	10.28	2.76
Gas Charges	22.04	0.18
Advance written off	4.07	-
Investment written off	1.13	-
Miscellaneous expenses	11.14	0.91
Total	**1,120.95**	**366.15**

Note

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

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31st March 2022

Note No. 25 Other Expenses (Contd.)

(₹ in million)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Audit of standalone and consolidated financial statements (including quarterly limited reviews)	3.75	3.25
Reimbursement of expenses	0.11	0.10
Total	**3.86**	**3.35**

Note No. 26 Details of Research and Development expenditure incurred

(₹ in million)

Particulars	Year ended 31st March 2022	Year ended 31st March 2021
Research & development expenses including capital expenditure:		
Material and third party outsourcing cost	425.22	267.17
Labour	176.82	151.00
Overheads	71.49	117.78
Total	**673.53**	**535.95**

Out of the above mentioned expenditure, ₹ 673.53 million (Previous year: ₹ 535.95 million) has been capitalised under intangibles under development. The expenditure detailed above have been incurred for DSIR recognized R&D unit in Bangalore.

During the year ended 31st March 2022, the Company tested intangible assets under development for impairment. Pursuant to such assessment, the Company has written-off such assets of ₹ 0.00 million (Previous year: ₹ 4.64 million).

The amount quantified as research and development expenditure (both capital and revenue) is as certified by the management of the Company and relied upon by the auditors.

Note No. 27 Commitments (To the extent not provided for)

(₹ in million)

Particulars	As at 31st March 2022	As at 31st March 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances):		
- Property, Plant and equipment	1,502.36	455.26
Total	**1,502.36**	**455.26**

Note No. 28 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. The company recognised ₹ 20.49 million (previous year: ₹ 12.93 million) for provident fund contributions, ₹ 0.00 million (previous year: 0.01) for employee state insurance scheme 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.

Notes Forming Part of the Consolidated Financial Statements

or the year ended 31st March 2022

Note No. 28 Employee Benefits Plans (Contd.)

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	
	31st March 2022	31st March 2021
Discount rate(s)	6.41%	6.37%
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 31st March 2022	As at 31st March 2021
Service cost:		
Current service cost	6.59	5.81
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	1.14	0.88
Components of defined benefit costs recognised in statement of profit and loss	**7.73**	**6.69**
Remeasurement on the net defined benefit liability:		
Return on plan assets [excluding amounts included in net interest expense] (excess) / Short return	-	-
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	(2.98)	0.04
Actuarial (gains) / losses arising from experience adjustments	0.23	(1.80)
Components of defined benefit costs recognised in other comprehensive income	(2.75)	(1.76)
Total	**4.98**	**4.93**

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 remeasurernent of the net defined benefit liability is included in other comprehensive income.

Notes Forming Part of the Consolidated Financial Statements
for the year ended 31st March 2022

Note No. 28 Employee Benefits Plans (Contd.)

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 31st March 2022	As at 31st March 2021
Present value of funded defined benefit obligation	22.94	18.42
Fair value of plan assets	-	-
Funded status	**22.94**	**18.42**
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	**22.94**	**18.42**

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

(₹ in million)

Particulars	As at 31st March 2022	As at 31st March 2021
Opening defined benefit obligation	18.42	14.13
Add: Acquisition / (disposal)	0.49	-
Expenses Recognised in statement of profit and loss		
Current service cost	6.59	5.81
Past service cost and (gain)/loss from settlements	-	-
Interest cost	1.14	0.88
Remeasurement (gains)/losses		
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	(2.98)	0.04
Actuarial (gains) / losses arising from experience adjustments	0.23	(1.80)
Benefits paid	(0.95)	(0.64)
Closing defined benefit obligation	**22.94**	**18.42**

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.

If the discount rate increases (decrease) by 1%, the defined benefit obligation would be ₹ 24.26 million (₹ 19.81 million) as at 31st March 2022

If the expected salary growth increases (decrease) by 1%, the defined benefit obligation would be ₹ 21.75 million (₹ 17.18 million) as at 31st March 2022

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	1.81
Year 2	2.57
Year 3	3.14
Year 4	3.19
Year 5	3.71
Years 6 to 10	11.71

Notes Forming Part of the Consolidated Financial Statements

or the year ended 31st March 2022

Note No. 29 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 right-of-use assets and lease liabilities during the year:

Right-of-use assets:

(₹ in million)

Particulars	Lease hold land	Office space	Plant & Machinary	Total
Opening balance as on 1st April 2020	155.69	-	-	155.69
Additions	-	132.89	4.31	137.20
Depreciation	(3.16)	(2.86)	(0.74)	(6.76)
Deletions	-	-	-	-
Closing balance as on 31st March 2021	**152.53**	**130.03**	**3.57**	**286.13**
Additions	-	188.85	-	188.85
Depreciation	(1.63)	(60.40)	(0.86)	(62.89)
Deletions	-	-	-	-
Closing balance as on 31st March 2022	**150.90**	**258.48**	**2.71**	**412.09**

Lease liabilities

(₹ in million)

Particulars	31st March 2022	31st March 2021
Opening balance	108.04	-
Additions	156.65	107.71
Interest	7.51	0.33
Lease payments	-	-
Closing balance	**272.20**	**108.04**
Current	54.06	11.91
Non-current	218.14	96.13

Maturity analysis of OLL	31st March 2022			31st March 2021		
	1 year	1 to 5 years	More than 5 years	1 year	1 to 5 years	More than 5 years
Factory Building	54.06	213.10	-	11.91	91.48	-
Plant and Machinery	-	5.04	-	-	4.65	-

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).

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31st March 2022

Note No. 30 Earnings per Share

(₹ in million)

Particulars	For the year ended 31st March 2022	For the year ended 31 March 2021
Profit / (Loss) after tax attributable to equity holders of the Company (A) (₹ in million)	(2,311.60)	(1,208.29)
Weighted average number of equity shares used as denominator in calculating basic earnings per share (B)	35,426,071	18,128,544
Weighted average number of equity shares used as denominator in calculating diluted earnings per share (C)	35,426,071	18,128,544
Basic earnings per share (₹) (A/B)	(65.25)	(66.65)
Diluted earnings per share (₹) (A/C)	(65.25)	(66.65)

During the year, the Company has made a bonus issue of equity shares in the ratio of 1:2 for all its shareholders. Further, the Company has sub-divided the equity shares in the ratio of 10:1 i.e., sub-dividing the equity shares of face value of ₹ 10/- each into equity shares of face value ₹ 1/- each. Accordingly, basic and diluted earnings per share has been adjusted for previous periods presented.

Note No. 31 Related Party Transaction:

Nature of Relationship	Name of Related Party
Entity exercising significant influence	Strides Pharma Science Limited
	Tenshi Life Sciences Private Limited
	Medella Holdings Pte Ltd
Other related parties:	Arcolab Private Limited
	Tenshi Pharmaceuticals Private Limited, India (formerly known as Steriscience Private Limited and Sovizen Life Sciences Private Limited)
	Tenshi Kaizen Private Limited
	GMS Tenshi Holdings Pte Ltd
	Steriscience Specialities Private Limited
	Skanray Healthcare Private Limited
	Strides Pharma Inc
	Solara Active Pharma Sciences Limited
	Karuna Business Solutions LLP
	Karuna Healthcare Private Limited
	Strides Pharma Global Pte Ltd
Key Management Personnel – Chairman and Non - Executive Director	Aditya Puri
Key Management Personnel – Non - Executive Director	Arun Kumar Pillai (7th April 2021)
Key Management Personnel – Executive Director & CFO	Kannan Radhakrishnan Pudhucode (From 14th July 2021)
Key Management Personnel – Non - Executive Director	Ankur Nand Thadani
Key Management Personnel – Non - Executive Director	Mahadevan Narayanamoni
Key Management Personnel – Independent Director	A K Viswanathan (From 22nd December, 2021)
Key Management Personnel – Independent Director	Vineeta Rai (From 23rd July 2021)
CEO	Roger Lias (upto 30th September, 2021)
CEO	Mark Womack (upto 24th January, 2022)
Key Management Personnel – Non - Executive Director	Deepak Vaidya (upto 7th July 2021)
Key Management Personnel – Non - Executive Director	PM Thampi (upto 7th April 2021)
Key Management Personnel – Company Secretary	Puja Aggarwal

Notes Forming Part of the Consolidated Financial Statements

or the year ended 31st March 2022

Note No. 31 Related Party Transaction: (Contd.)

(₹ in million)

Nature of Transactions	Entities having significant influence over Company		Other related parties		Key Managerial Personnel	
	Year ended 31st March 2022	Year ended 31st March 2021	Year ended 31st March 2022	Year ended 31st March 2021	Year ended 31st March 2022	Year ended 31st March 2021
Revenue from operations						
Strides Pharma Science Limited	46.03	-	-	-	-	-
Steriscience Specialties Private Limited	-	-	85.57	0.20	-	-
Guarantee Commission considered as borrowing cost						
Strides Pharma Science Limited	52.18	42.13	-	-	-	-
Rental expenses						
Arcolab Private Limited	-	-	0.01	-	-	-
Support Service charges						
Strides Pharma Science Limited	2.10	1.58	-	-	-	-
Tenshi Life Sciences Private Limited	12.00	12.37	-	-	-	-
Arcolab Private Limited	-	-	84.77	19.40	-	-
Purchase of Material						
Strides Pharma Science Limited	0.01	-	-	-	-	-
Solara Active Pharma Sciences Limited	-	-	1.81	-	-	-
Purchases of Services						
Tenshi Life Sciences Private Limited	-	7.57	-	-	-	-
Arcolab Private Limited	-	-	-	4.06	-	-
Strides Pharma Science Limited	-	0.62	-	-	-	-
Advance from / (repaid)						
Skanray Healthcare private limited	-	-	-	(1.00)	-	-
Steriscience Specialties Private Limited	-	-	-	432.28	-	-
Steriscience Specialties Private Limited	-	-	-	(420.00)	-	-
Tenshi Kaizen Private Limited	-	-	-	(0.28)	-	-
Loans taken/(repaid)						
Tenshi Life Sciences Private Limited	-	100.00	-	-	-	-
Tenshi Life Sciences Private Limited	-	(400.00)	-	-	-	-
Karuna Healthcare Private Limited	-	-	-	381.50	-	-
Karuna Healthcare Private Limited	-	-	-	(381.50)	-	-
Product Development Cost						
Tenshi Kaizen Private Limited	-	-	31.40	-	-	-
Interest expense on loan taken						
Tenshi Life Sciences Private Limited	-	3.29	-	-	-	-
Karuna Healthcare Private Limited	-	-	-	1.76	-	-
Equity/Preference shares contribution to the Company (including securities premium)						
Strides Pharma Science Limited	-	2,394.96	-	-	-	-
Tenshi Life Sciences Private Limited	54.70	0.17	-	-	-	-
GMS Pharma (Singapore) Pte Ltd	-	612.80	-	-	-	-
Medella Holdings Pte Ltd	-	1,095.05	-	-	-	-
Karuna Business Solutions LLP	-	-	149.52	-	-	-
Reimbursement of expenses						
Strides Pharma Science Limited	4.03	2.10	-	-	-	-
Tenshi Life Sciences Private Limited	7.26	17.04	-	-	-	-
Steriscience Specilities Private Limited	-	-	8.92	-	-	-
Tenshi Kaizen Private Limited	-	-	1.78	-	-	-
Arcolab Private Limited	-	-	0.89	4.67	-	-
Naari Pharma Private Limited	-	-	0.01	-	-	-
Strides Pharma Inc	-	-	7.60	4.50	-	-
Purchase of property, plant and equipment						

Notes Forming Part of the Consolidated Financial Statements
for the year ended 31st March 2022

Note No. 31 Related Party Transaction: (Contd.)

(₹ in million)

Nature of Transactions	Entities having significant influence over Company		Other related parties		Key Managerial Personnel	
	Year ended 31st March 2022	Year ended 31st March 2021	Year ended 31st March 2022	Year ended 31st March 2021	Year ended 31st March 2022	Year ended 31st March 2021
Strides Pharma Science Limited	-	2.93	-	-	-	-
Sales of Asset						
Steriscience Specilities Private Limited	-	-	5.14	-	-	-
Employee cost:						
Roger Lias	-	-	-	-	-	35.88
Mark Womack	-	-	-	-	12.52	-
Kannan Radhakrishnan Pudhucode	-	-	-	-	14.68	-
Puja Aggarwal	-	-	-	-	2.04	-
Sitting fees paid to directors						
Deepak Vaidya	-	-	-	-	0.90	1.30
P. M Thampi	-	-	-	-	0.30	1.30
Aditya Puri	-	-	-	-	2.10	0.20
Vineeta Rai	-	-	-	-	1.30	-
Viswanathan AK	-	-	-	-	0.30	-
Other Payables						
Strides Pharma Science Limited	12.85	-	-	-	-	-
Tenshi Life Sciences Private Limited	15.45	43.64	-	-	-	-
Arcolab Private Limited	-	-	25.12	0.34	-	-
Strides Pharma Inc	-	-	7.52	4.50	-	-
Steriscience Specialties Private Limited	-	-	10.52	12.09	-	-
Trade Receivable						
Steriscience Specialties Private Limited	-	-	106.97	0.20	-	-
Advances receivable						
Steriscience Specialties Private Limited	-	-	12.28	-	-	-

Note No. 32 Financial instruments

32.1Categories of financial instruments

(₹ in million)

Particulars	31st March 2022	31st March 2021
Financial assets:		
Measured at amortised cost		
(a) Trade receivables	236.43	22.23
(b) Cash and bank balances	1,697.37	777.69
(c) Other financial assets at amortised cost	110.73	39.64
Financial liabilities:		
Measured at amortised cost		
(a) Borrowings	5,972.57	3,093.22
(b) Current maturities of non-current borrowings	5,570.18	765.94
(c) Trade payables	625.43	428.24
(d) Other financial liabilities	1,527.44	258.72

Notes Forming Part of the Consolidated Financial Statements

or the year ended 31st March 2022

Note No. 32 Financial instruments (Contd.)

32.2 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).

32.2.1 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	31st March 2022		31st March 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities:				
Borrowings	11,542.75	11,699.45	3,859.16	3,975.75

32.3 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:

32.3.1 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:

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31st March 2022

Note No. 32 Financial instruments (Contd.)

(₹ in million)

Amount receivable/(payable)	As at 31st March 2022		As at 31st March 2021	
Exposure to the Currency	In foreign Currency	In INR	In foreign Currency	In INR
USD	(23.20)	(1,749.35)	(27.62)	(2,022.14)
EUR	6.20	541.55	(0.37)	(31.82)
GBP	(0.02)	(2.29)	(0.01)	(0.54)
SGD	(0.04)	(2.35)	(0.06)	(3.17)
AED	0.00	0.01	(0.00)	(0.01)
AUD	-	-	(0.00)	(0.18)
CHF	(0.02)	(1.45)	-	-
RUB	(0.05)	(0.05)	-	-

32.3.2 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 neglibigle.

(₹ in million)

Particulars	Increase / (Decrease) in Profit	
	31st March 2022	31st March 2021
Appreciation in the USD	(87.47)	(101.11)
Depreciation in the USD	87.47	101.11
Appreciation in the EUR	27.08	(1.59)
Depreciation in the EUR	(27.08)	1.59

The impact on profit has been arrived at by applying the effects of appreciation / deprecation 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 31st March 2022.

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.

32.3.3 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 31st March 2022	As at 31st March 2021
Fixed-rate instruments		
Financial assets		
Balance with banks held as margin money	479.82	104.84
	479.82	**104.84**
Variable-rate instruments		
Financial liabilities		
Borrowings from bank	11,542.75	3,859.16
	11,542.75	**3,859.16**

Notes Forming Part of the Consolidated Financial Statements

or the year ended 31st March 2022

Note No. 32 Financial instruments (Contd.)

Interest rate swap .contracts

Under interest rate swap contracts, the Company agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Company to mitigate the risk of cash flow exposures on the variable rate borrowings.

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is the local interbank rate in the currency of the loan. The Company will settle the difference between the fixed and floating interest rate on a net basis.

32.4 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.

32.5 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.

32.5.1 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.

(₹ in million)

Financial Liabilities	Due within (years)						Total	Carrying Amount
	1	1 to 2	2 to 3	3 to 4	4 to 5	beyond 5		
Bank & other borrowings								
- As on 31st March 2022	5,667.86	3,062.73	1,870.96	893.67	204.23	-	11,699.45	11,542.75
- As on 31st March 2021	790.29	878.08	878.08	878.08	488.63	62.59	3,975.75	3,859.16
Interest payable on borrowings								
- As on 31st March 2022	34.04	-	-	-	-	-	34.04	34.04
- As on 31st March 2021	42.19	-	-	-	-	-	42.19	42.19
Trade and other payable								
- As on 31st March 2022	2,118.83	-	-	-	-	-	2,118.83	2,118.83
- As on 31st March 2021	644.77	-	-	-	-	-	644.77	644.77

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31st March 2022

Note No. 33 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 year ended 31st March 2022

(₹ 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	93.79%	9,496.47	96.68%	(2,234.76)	13.26%	2.75	97.43%	(2,232.01)
Stelis Pte Ltd	6.20%	628.22	0.18%	(4.24)	84.67%	17.56	-0.58%	13.32
Stelis Biopharma LLC	0.00%	-	3.14%	(72.60)	2.07%	0.43	3.15%	(72.17)
Biolexis Private Limited	0.00%	0.10	0.00%	-	0.00%	-	0.00%	-
	100%	**10,124.79**	**100%**	**(2,311.60)**	**100%**	**20.74**	**100%**	**(2,290.86)**

As on and for the year ended 31st March 2021

(₹ 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	93.38%	7,246.44	95.60%	(1,155.18)	(18.32%)	1.76	99.41%	(1,210.67)
Stelis Pte Ltd	6.23%	483.68	0.51%	(6.16)	108.70%	(10.44)	1.36%	(16.60)
Stelis Biopharma LLC	0.39%	30.08	3.89%	(46.96)	9.63%	(0.92)	(0.77%)	9.36
	100%	**7,760.20**	**100%**	**(1,208.30)**	**100%**	**(9.60)**	**100%**	**(1,217.90)**

Note No. 34 Deferred tax asset :

The Company has significant brought forward tax loss and unabsorbed depreciation of ₹ 7,216.61 million (₹ 4,663.42 million 31st March 2021) as per latest Income tax return filed and 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 fixed assets and the written down value of such fixed assets under Income Tax. 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 31st March 2022.

Note No. 35 Segment Reporting:

The Company is engaged in the business of providing biotechnology process development services for healthcare industries. The board of directors of the group are identified as the chief operating decision Maker (CODM). The Company's operates in single operating segment, the reporting disclosures envisaged in Ind AS 108 on operating segments, are not applicable to the group. However, the geographical information are disclosed below:

Geographical Information

(i) Revenue from operations

(₹ in million)

Particulars	As at 31st March, 2022	As at 31st March 2021
India	1,154.33	192.04
Outside India	166.94	21.86
Total	**1,321.27**	**213.90**

Notes Forming Part of the Consolidated Financial Statements

or the year ended 31st March 2022

Note No. 35 Segment Reporting: (Contd.)

(ii) Non-current assets*

(₹ in million)

Particulars	As at 31st March 2022	As at 31st March 2021
India	19,201.86	11,551.24
Total	**19,201.86**	**11,551.24**

*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

(a) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property

(b) The Company does not have any transactions with companies struck off.

(c) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(d) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(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:

  (i) 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

  (ii) provide any guarantee, securityor 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:

  (i) 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

  (ii) 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 Consolidated Financial Statements

for the year ended 31st March 2022

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

On 27th May 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 20% each for first two years and 30 % each for next two years 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. As of 31st March 2022, the Company has not granted any options under this plan.

Note No. 39

Mr. Mark Womack (“Mark”), a citizen of the United States of America (“US”), was appointed as the Managing Director (“MD”) of Company. Mark’s appointment was approved by the board of directors of the Company on 15th November, 2021 and further approved by the shareholders of the Company in the extra-ordinary general meeting of the shareholders of the Company held on 4th January, 2022. Being a non-resident, the Company is required file Form MR-2 with Central government approval for appointment of Mark within 90 days of from his date of appointment as MD of the Company. Due to certain personal reasons, Mark resigned with effect from the close of business hours on 24th January, 2022 (before the relevant period for filing Form MR-2). The Company has been legally advised that post facto approval of MR-2 is procedural aspect and has become infructuous and redundant on account of the resignation tendered by Mark within the 90 days of appointment as MD of the Company.

Note No. 40

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 3rd September, 2024). The management of the Company is confident of achieving the positive cumulative net foreign exchange position within the prescribed timelines.

Note No. 41 Amendments effective from 1st April 2022 :

On 23rd March 2022, the Ministry of Corporate Affairs (MCA) issued certain amendments and annual improvements to Ind AS. These amendments are applicable for accounting periods beginning on or after 1st April 2022:

- Ind AS 103 – Business Combinations – Reference to conceptual framework added
- Ind AS 16 – Property, Plant and Equipment – Accounting for proceeds before an asset’s intended use
- Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – Assessing if the contract is onerous
- Annual improvements to Ind AS – Ind AS 109 (Financial Instruments) and Ind AS 116 (Leases)

The Company will evaluate the impact of the above, where applicable, on the financial statements and give impact of the same in the relevant period.

Notes Forming Part of the Consolidated Financial Statements

or the year ended 31st March 2022

Note No. 42 Ratio Analysis

(₹ in million)

Particulars	As at 31st March 2022	As at 31st March 2021	Change	Ratios have a variance of >25% due to
Current Ratio - in times (A) / (B)	**0.63**	**0.61**	3%	Not applicable
Current Assets (A)	5,110.97	987.19		
Current Liabilities (B)	8,086.92	1,611.02		
Debt-Equity Ratio - in times (C) / (D)	**1.17**	**0.51**	128%	Increased during the year as additional bank loans availed for Unite-3 vaccines project and working capital
Debt (C)	11,814.95	3,967.20		
Equity (D)	10,124.79	7,760.20		
Debt Service Coverage Ratio - in times (E) / ((F) + (G))	**37%**	**87%**	-58%	Decreased during the year as Debt repayment increased during the year.
Earnings Before Interest, Taxes, Depreciation and Amortisation (E)	(927.85)	(703.41)		
Debt repayment (F)	(1,840.84)	(644.58)		
Interest payments (G)	(688.41)	(163.87)		
Return on Equity ratio (H) / (I)	**-22.83%**	**-15.57%**	47%	Increased during the year as loss and equity both increased.
Net profit (H)	(2,311.60)	(1,208.29)		
Equity (I)	10,124.79	7,760.20		
Inventory turnover ratio (K) / (L)	**0.40**	**8.39**	-95%	Decreased as closing inventory has gone up across Raw material, WIP and FG as Sputnik vaccine manufactruing has started during the year
Cost of goods sold (K)	557.03	205.19		
Average Inventory (L)	1,401.87	24.47		
Trade receivables turnover ratio (M) / (N)	**10.22**	**19.19**	-47%	Decrease is due to increase in sales in CDMO business.
Sales Turnover (M)	1,321.27	213.90		
Average Trade receivables (N)	129.33	11.15		
Trade payables turnover ratio (O) / (P)	**1.06**	**0.56**	89%	Increased as cost of good sold related to vaccines manufactured in Unit-3 is inventorised but trade payables includes Unit-3 payables as well
Cost of goods sold (O)	557.03	205.19		
Average Trade payables (P)	526.84	367.43		
Net capital turnover ratio (Q) / (R)	**(0.44)**	**(0.34)**	29%	Increase is due to increase in sales in CDMO business.
Sales Turnover (Q)	1,321.27	213.90		
Woring Capital (R)	-2,975.95	-623.83		
Net profit ratio (S) / (T)	**-170.10%**	**-539.54%**	-68%	Decreased during the year as revenue has increased and proportional cost is reduced due to NATCO service bill
Net profit (S)	(2,311.60)	(1,208.29)		
Gross Revenue (T)	1,358.97	223.95		
Return on capital employed (U) / (V)	**-7.44%**	**-8.93%**	-17%	Not Applicable
Earnings Before Interest and Taxes (U)	(1,631.34)	(1,047.45)		
Capital Employed (V)	21,939.74	11,727.40		

Note No. 43 Approval of financial statements

The Company's financial statements are approved for issue by the board of directors on 7th June 2022.

For and on behalf of Board of Directors

P R Kannan
Executive Director & CFO
DIN : 03435209

Arun Kumar
Non- Executive Director
DIN: 00084845

Puja Aggarwal
Company Secretary
Membership Number: A49310

Place : Bengaluru
Date : 7th June 2022

NOTICE OF THE 15th ANNUAL GENERAL MEETING

Notice is hereby given that the Fifteenth Annual General Meeting ('AGM') of the Shareholders of the Company will be held on **Friday, September 02, 2022 from 17.30 hours IST** 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, 2022

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022 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, 2022

To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022 together with the Reports of the Board of Directors and the Auditors thereon.

Item 3: Appointment of a Director in place of Mr. Aditya Puri (DIN: 00062650) who retires by rotation and being eligible, offers himself for re-appointment

Mr. Aditya Puri (DIN: 00062650), 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 of CSR Budget

To consider and, if thought fit, to pass the following resolution with or without modification as a Ordinary Resolution:

"**RESOLVED THAT** approval of the Shareholders' be and is hereby accorded to spend upto a maximum amount of ₹ 112.80 million towards CSR activities over a period of 6 years as per the terms and conditions agreed with KIADB for Stelis - Unit 2 and 3.

RESOLVED FURTHER THAT the Board of Directors (which term shall be deemed to include any Committee including Corporate Social Responsibility Committee, which the Board has constituted to exercise its powers, including the powers, conferred by this resolution) be and is hereby authorised to identify the activities/projects on which the aforementioned CSR budget shall be spent.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorized to do all such acts, deeds and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

By Order of the Board
For Stelis Biopharma Limited

Place: Bangalore
Date: June 07, 2022

Puja Aggarwal
Company Secretary

Notes:

a) In view of the covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular Nos. 03/2022 dated May 05, 2022 relating to "Clarification of holding of Annual General Meeting (AGM) through Video Conference (VC) or other Audio Visual Means (OAVM)", have decided to allow Companies whose AGM's are due in the calendar year 2022, can conduct their AGM's on or before December 31, 2022 through video conferencing (VC) or any other audio-visual means (OAVM). Hence, in compliance with the provisions of the Companies Act, 2013 ("Act") and MCA General Circular, 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 General Circular, through VC, the facility for appointment of proxies by the Members will not be available.

c) Members of the Company under the category of Institutional Investors are encouraged to attend and vote in the said meeting through VC or OVAM.

d) The Members can join the AGM in the VC/OAVM mode, 15 minutes before the time scheduled to start the meeting and shall not be closed till the expiry of 15 minutes after such scheduled time of commencement of the Meeting by following the procedure mentioned in the Notice.

e) Participation of Members through VC or OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013 ("the Act").

f) 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 or Power of Attorney, if any, 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@stelis.com

g) The Explanatory Statement pursuant to Section 102 of the Act read with applicable Rules thereto annexed hereto and form part of this notice.

h) Members are requested to intimate the change in their address registered with the Company.

i) Since the AGM will be held through VC/OAVM in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.

j) The web-link for attending the AGM via videoconferencing is as under:

Link:

https://us02web.zoom.us/j/83277994640?pwd=WVdEYlZVNThYNnBuTEtGdTcxWWtZZz09

Meeting ID: 832 7799 4640

Password: 170058

For any clarifications or support please feel free to reach out to the Company Secretary at +91 99866 14447 or puja.aggarwal@stelis.com

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(2) OF THE COMPANIES ACT 2013

Item 4: Approval of CSR Budget

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 and Unit 3, the Company is required to spend atleast 1% of the project cost on CSR activities spread over a period of five years/ period of project. Accordingly, the CSR budget of the Company has been computed as under:

SI No.	Financial Year	Unit 2 Budgeted Amount (In lakhs)	Unit 3 Budgeted Amount (In lakhs)	TOTAL (In lakhs)
1	2021-2022	50	13	63
2	2022-2023	75	65	140
3	2023-2024	100	100	200
4	2024-2025	125	125	250
5	2025-2026	150	150	300
6	2026-2027	-	175	175
	TOTAL	**500**	**628**	**1,128**

The Board, at their meeting held on February 16, 2022, has constituted a CSR Committee to monitor the aforesaid spend with the following members:

#	Name	Designation
1.	Mr. Arun Kumar- Non – executive Director	Chairperson
2.	Ms. Vineeta Rai- Independent Director	Member
3.	Mr. AK Viswanathan- Independent Director	Member
4.	Mr. Kannan PR- Executive Director & CFO	Member

None of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company as contemplated in the provisions of Section 102 of the Act is, in any way, financially or otherwise, concerned or interested in the proposed resolution, except to the extent of their shareholding as Shareholders'.

Accordingly, the Board of Directors recommends passing of an Ordinary Resolution as set out at Item No. 4 of this Notice, for the approval of the Shareholders.

By Order of the Board
For Stelis Biopharma Limited

Place: Bangalore
Date: June 07, 2022

Puja Aggarwal
Company Secretary

Stelis
Biopharma

Stelis Registered Office (Unit 1)

Plot # 293, Jigani Link Road
Bommasandra, Anekal Taluk Bangalore
– 560 105, Karnataka, India.

Stelis cGMP Manufacturing
Division (Unit 2)

Plot # 2-D 1, Obadenahalli,
Doddaballapura 3rd phase, Industrial
Area, Doddaballapura Taluk Bangalore
Rural District – 561 203,
Karnataka, India.

Stelis Biopharma Ltd. (Unit 3)

#68/A, 1st phase, Bommasandra
Industrial area, Bommasandra,
Bengaluru 560 099, Karnataka, India

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Unveiling **Stelis**

ANNUAL REPORT
2020-21

Stelis
Biopharma

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"Stelis is transcending to a new growth phase, witnessing strong traction for its CDMO offerings from global clients. We are confident about building a sustainable business and delivering significant value for our shareholders in the long term."

Arun Kumar
Founder

We are advancing with focus and foresight to take Stelis to the next level of growth and profitability, and establish market prominence.

Mark W. Womack
Managing Director and CEO

Unveiling **Stelis**

Beginning its journey as the biotech division of Strides Pharma Science Limited (Strides), Stelis Biopharma Limited (Stelis) has transformed into an independent enterprise with integrated capabilities to take molecules from the lab to the market.

Navigating through the chrysalis effect and developing the ability to explore new horizons of untapped opportunities, we are fast emerging as a preferred choice for the global biopharmaceutical industry to accelerate development and commercialisation of Biologics for patients in need.

Welcome to the world of Stelis.

Let's take the flight together for an exciting journey ahead!

About **us**

Spreading wings towards **new horizons**

We are a vertically integrated biopharma service company with the capabilities to develop and manufacture complex biologics, biosimilars and vaccines. Aspiring to be a partner of choice for the global biopharmaceutical industry, we enable our partners to accelerate development and commercialisation of products to address unmet patient needs.

Diversified by domains, unified by expertise

CDMO services

Fully integrated pure play CDMO, offering the complete spectrum of services, from cell line tech transfer to clinical and commercial manufacturing

Vaccines

A scalable vaccine manufacturing infrastructure with end-to-end capabilities

Own products

Building a diabetes-led portfolio to address the exponentially growing Global health needs

Industry **landscape**

Exploring **a world of opportunities**

As global pharma companies started focusing more on scientific research and marketing, outsourcing to development and manufacturing CDMO service providers has gained significant traction in the past decade. This enables biologics pharmaceutical companies to strengthen their focus and optimise their resource allocation.

At Stelis, we are committed to offering diversified and reliable biopharma solutions from cell line technology transfer through clinical and commercial manufacturing. Our flexible and agile approach and on-time delivery of client programmes has helped us establish a reputation as a trusted CDMO partner for global biopharma companies.

CDMO Services

Driven by growth in biologics and a strong value proposition for outsourcing, one-stop-shop CDMO players have emerged as preferred partners for global pharma companies. Further, high barriers to entry driven by large capex requirements and long gestation periods, provides a distinct competitive advantage for CDMOs, which is additionally strengthened by high switching costs for customers.

Addressable market size*

US$**27** Billion+

*The total global annual market opportunity for biologics CDMOs.

Vaccines

In the last 5 years, countless new products are being developed using viral vectors. Further, 130+ trials are ongoing with viral vector platforms [in addition to those for COVID-19, Human Immunodeficiency Virus (HIV), Tuberculosis, Cancer and Flu]. COVID-19 has further increased interest in the vaccine manufacturing space. Majority of countries supported by The Global Alliance for Vaccines and Immunizations (GAVI) today will be required to transition out by 2030, leading to a significant increase in their vaccine prices.

Addressable market size

US$**10** Billion+

Biosimilars

Biosimilars present a large opportunity with many brands slated to go off patent each year. Biosimilar development requires significantly less investments than innovators and can generate revenues for years to come.

Addressable market size

US$**60** Billion+

Our value **proposition**

Advancing **with focus and fortitude**

Our Vision and Mission

- Our Vision is to be globally recognised as the most trusted and reliable biopharmaceutical CDMO
- Our mission is to reliably deliver our clients' biopharmaceutical programmes on-time and in-full

End-to-end offering

- We are a fully integrated pure play CDMO, offering the complete spectrum of services, from cell line tech transfer to clinical and commercial manufacturing
- We have the capability to convert drug substance to stable formulations and fill and finish in all injectable formats

State-of-the-art facilities

- We have three state of the art facilities, with ~9,00,000 square feet of PD and manufacturing space for mammalian, microbial and viral vector programmes
- Our facilities are highly automated, in order to increase accuracy, efficiency and speed at every stage of the PD and manufacturing processes

High capacity

- We have amongst the highest CDMO capacity in APAC, including mammalian bioreactor suites to handle almost any level of client demand
- We have the agility to expand capacity with industry leading speed
- Our drug product capacities exceed 320 million units per annum

Strong technical acumen

- It starts with a leadership team that understands what it takes to deliver highly complex scientific programmes for our clients that count on us to meet our commitments on-time and in-full
- We have highly talented scientific and technical cross functional teams with diverse and deep experience in biopharmaceutical development and manufacturing

Quality and regulatory

- Our highly experienced quality and regulatory personnel help us meet the highest global quality standards, ensure compliance and guide our clients through the regulatory approval process
- Our high-volume commercial use facilities were designed with USFDA consultation
- We employ a holistic and systematic approach to building and sustaining the Stelis Quality Culture

Key **differentiators**

Building on **our forte**

Collaborative

We work side by side with our clients as true partners, collaborating and closely communicating every step of the way.

Agile

We have the proven ability to rapidly adjust or expand to meet the evolving needs and demands of our clients.

Compliant

We have established and will sustain a Stelis Quality Culture that enables us to always meet global quality and regulatory standards.

Our **capabilities**

Ensuring **a robust, compliant and efficient delivery eco-system**

We have world-class, highly automated cGMP facilities, offering process development through clinical and commercial manufacturing, at various flexible scales to fit individual client and product requirements.

Driving process development through state-of-the-art laboratories, ready to serve many modalities

Clone selection and characterisation

- Seamless tech transfer of cell lines and banks (RCBs, MCBs)
- Clone screening and selection to optimise yield
- Preparation and characterisation of cell banks (WCBs)

UPD and DPD

- Our highly streamlined and efficient tech transfer process enables rapid and reliable process development or scale-up
- Systematic DOE and QbD approach to ensure intended drug performance
- Process optimisation and lock, to ensure reliable manufacturing and optimum yield

Analytical development

- Wide range of technologies to support all development stages, with over 95% of characterisation and release testing done in-house
- Robust set of platform-based physico-chemical and bioassay methods for efficient process characterisation
- High-throughput analytical automation to achieve faster development timelines

Formulation development

- Early and late-stage development for all biologics modalities and dosage forms
- Development of Target Product Profile to ensure product quality, compliance, usability and competitiveness
- Design of primary packaging systems, based on extractable and leachable studies, to ensure a robust and commercially scalable process

We're always ready to develop a new process or optimise or adopt an existing process, at the scale our clients need

Optimisation of upstream and downstream parameters is critical to achieving a reliable, cost-effective biomanufacturing process, yielding optimal quality, purity and quantity.

Upstream

- Experience and capabilities for multiple mammalian cell types, including CHO DG44, CHOK1, HEK293, PerC6 and Sf9, as well as for multiple microbial expression systems, including E. coli, Pichia and Saccharomyces
- Extensive experience with development and scale-up of adeno virus (Serotype AD5 and AD26) along with additional capabilities include Lentivirus and Baculovirus vectors
- Expertise in handling various bioreactor types (SS, SUB, Wave, AMBR) for optimum throughput across expression platforms
- Fed batch and perfusion technologies

Downstream

- Experience and capabilities for developing downstream processes for biotherapeutics, including monoclonal antibodies, recombinant proteins, complex glycoproteins, bacteria and yeast
- Platforms that enable us to rapidly transition from lab to manufacturing
- Multi-column chromatography technology, to help clients reduce clinical manufacturing cost through improved resin utilisation
- Optimised downstream processes to remove impurities and increase yields with minimal steps and optimal recovery, leading to cost efficient manufacturing

We offer high-throughput analytical automation, with over 95% of testing done in-house

Our analytical development offerings for products across all modalities:

Method development

- Product concentration estimation for all modalities
- Process and product related impurity profiling (size and charge)
- Quantitative and qualitative batch release methods
- Optimising performance in support of process development

Bioassays

- Cell-based bioassays
- Quantitative binding ELISA potency and titer determination
- Impurity clearance testing – HCP ELISA, HCD by QPCR
- Binding affinity by SPR (Biacore) or BLI
- Enzyme and viral vector assays

Characterisation packages

- Comparability and similarity studies
- Primary structure
- Secondary & higher order structure
- Product characterisation package comprising structural, physicochemical and functional attributes

Stability

- Product optimisation studies
- R&D stage studies
- Product in-use studies
- GMP regulatory submission studies
- ICH compliant, covering zone-based specifications

Capabilities across modalities

Mammalian capabilities

- Flexible infrastructure for:
  - Monoclonal antibodies
  - Fusion proteins
  - Conjugation factors
  - Vaccines
- Robust approach for developing scale-down models, process characterisation and defining the control stages for scale-up
- 48,000L DS bioreactor capacity at 2,000L scale using SUB technology, providing optimum flexibility and cost-effectiveness for any volume demand
- In-house technologies enable drug product to be available within two weeks of bulk DS availability
- Annual DP capacity of over 400M units across four formats, backed by extensive experience delivering a diverse range of client programmes

Microbial capabilities

- Flexible technologies to fit:
  - Cell-free protein expression platforms
  - DNA adjuvants/plasmids
  - RNA products
  - All other types of microbial vaccines
- Robust approach for developing scale-down models, process characterisation and defining the control stages for scale-up
- Hybrid model with stainless steel fermenter for upstream and single-use or stainless steel systems for downstream processing
- In-house technologies enable drug product to be available within two weeks of bulk DS availability
- DS and DP production in a single highly-integrated facility

Viral Vector capabilities

- Flexible technologies to fit:
  - Lentivirus, adenovirus and retrovirus manufacturing
  - Adherent and suspension-based processes
- Robust approach for developing scale-down models, process characterisation and defining the control stages for scale-up
- 48,000L DS bioreactor capacity at 2,000L scale using SUB technology, providing optimum flexibility and cost-effectiveness for any volume demand
- Industry-leading expertise in process development and high-throughput analytical development
- DS and DP production in a single highly-integrated facility

Drug product capabilities

- High Speed Aseptic liquid filling lines for all formats – Vials, PFS, Cartridge and Device
- Fully automatic packaging line
- High-capacity warehouse – Area- 1526 m. sq. and 392 pallets
- 100% visual inspection
- Cold rooms for storage of product
- Track and trace systems
- Tertiary packaging area (Shippers, Cold packs etc.)
- Pen device assembly capabilities

Drug substance capacities

Modality	Process Development	Process Scale-up	Process Validation & Commercialisation
Mammalian	USP and DSP: 4L and 20L	USP and DSP: 50L and 200L	4 X 2000L single-use trains (Q2-2022) Upstream Train: 50L→200L/500L→2000L
Microbial	USP and DSP: 5L and 20L	USP and DSP: 50L	1 X 1000L stainless steel fermenter train Upstream Train: 50L→300L→1000L
Viral Vector	USP and DSP: 4L, 20L and 100L	USP and DSP: 50L and 200L	20 X 2000L single-use trains Upstream Train: 50L→200L→2000L

Drug product capacities

Formats	Facility	Equipment	Fill Volume	Annual Capacity (2 shift basis)
Vials and lyophilized vials	North and South Bangalore	Bausch Strobel and Tofflon filling line integrated with isolator and lyophilizer	1 – 100ml	320 M Liq. Vials 100 M Lyo. Vials
Pre-filled syringes and device assemblies	North Bangalore	Bausch Strobel filling line integrated with isolator	0.5 – 10ml	28 M
Cartridges and device assemblies	North Bangalore	Bausch Strobel filling line integrated with isolator	1.5 – 3ml	40 M

ESG commitments

Staying committed **to the greater good**

At Stelis, we are committed to building a sustainable global CDMO with a strong focus on our environmental, social and governance aspects. We strive to uphold the highest standards of responsible business practices, aligned with global benchmarks and regulatory standards.

Environment

Environment has a direct impact on our health and quality of life. Stelis, as a responsible biopharma company, values human life as well as biodiversity. Thus, we constantly strive to reduce the environmental impact of our operations while creating value for the society. We continually identify the environmental factors and take necessary steps to become energy efficient, manage waste, conserve water, and reduce our carbon footprint.

Our Board and the leadership team works diligently to create and implement policies that ensure responsible business operations and help us achieve our goal of a clean environment and a safe workplace. We go beyond the minimum standards to build a sustainable ecosystem for our employees, customers, community and environment.

Energy efficiency

When it comes to creating a positive impact on the environment, energy efficiency is crucial. We implement different strategies to lower our energy and resource requirement without compromising on quality. We have energy-efficient buildings and infrastructure to help us save electricity and use our resources optimally.

Air quality management

We integrate filtration and source management to improve ambient air quality in and around our manufacturing sites by identifying potential sources of air pollution. We also check for any leaks in the building's exterior and mould in warm moist areas on a regular basis. To lower levels of air pollutants, we have proper ventilation and filtration systems in place. In addition, we train our personnel on how to avoid drug contamination and to report any source of air pollution at our labs.

Water waste management

At Stelis, we make conscious efforts to conserve water and focus on wastewater treatment. We are working to reduce our freshwater usage at our manufacturing facilities. We employ various strategies to go beyond compliance and start making a positive impact on global water quality.

Biodiversity

As a responsible corporate citizen, we strive to nurture biodiversity along with our other environmental initiatives.

Social

People

Being a science driven business, we embrace an environment that encourages creativity, collaboration, experimentation, and opportunities to innovate and we provide avenues to help our employees reach their individual career goals. We drive our business outcomes on our guiding principle of creating a fair, performance driven work culture. Our performance systems are periodically reviewed to keep up with the evolving business landscape.

Ecosystem of opportunities

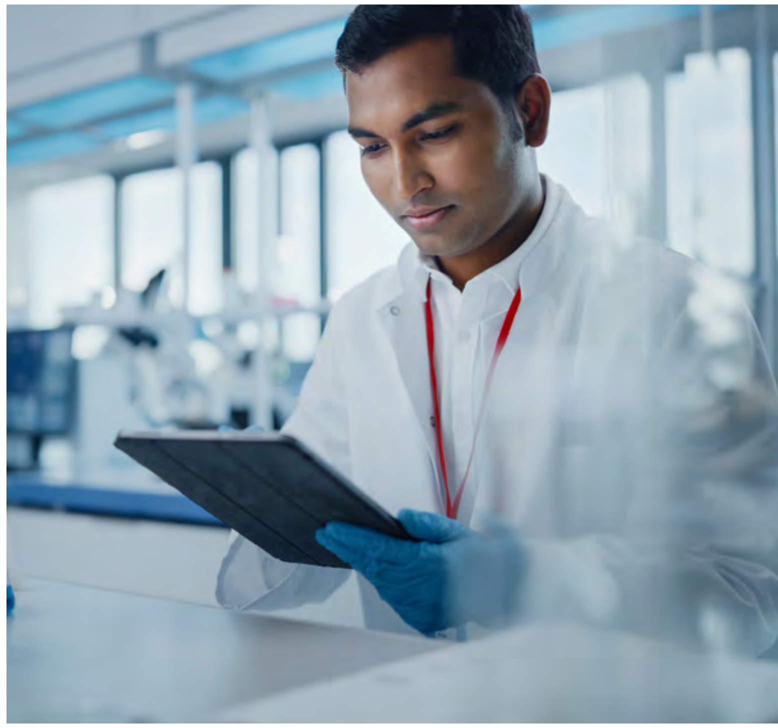
We have established a clear roadmap to nurture our talent and to ensure continued growth for our people. Some of our key programmes are:

- **Shadow the leader:** An opportunity for our employees to work with our leaders
- **Mentorship programme:** Formal mentorship programmes to coach and upgrade our workforce
- **Building future leaders:** Empowering high-potential employees with the requisite knowledge, skills, and opportunities to become future leaders
- **Development programmes and technical orientation:** A wide range of skill and capability enhancement programmes are offered to develop the technical skills required in biopharma and to enhance the knowledge of our operations
- **Executive programmes for scientific and management capabilities:** Enables middle management employees to take on larger roles and responsibilities within the organisation through scientific technology development and executive management programmes at leading management and scientific institutes

Accelerated career progression

We encourage our employees to think strategically about their career paths and meet their career goals within the organisation. Understanding their aspirations at different career and life stages and undertaking initiatives is key to shaping an effective development path. This process involves self-assessment, individualised career mapping and exploring core and non-core opportunities.

- **Self-assessment:** We engage with our employees to help them explore their knowledge, skills, abilities, past experiences and interests
- **Individualised career map:** We enable our employees to create their own individualised career development plans by identifying positions within Stelis that are aligned with their interests. We also support them on their development plans to acquire the required knowledge, skills, and abilities in order to help them realise their aspirations



People first

- We believe in a work environment that is free of discrimination, harassment and improper conduct of any kind
- All our policies and practices are administered in a manner that would ensure fairness for all employees
- All of us are aware of our rights and responsibilities relating to workplace discipline and we ensure that the nature of our work never surpasses our abilities to provide a healthy workplace for our people
- Any employee who feels or is likely under any apprehension of any form of direct or indirect discrimination, harassment or improper conduct will be heard irrespective of his or her role in the organisation

Work, life and play

- Stelis recognises that today's environment puts a lot of demand on individuals as they seek to maintain a balance between their work and other responsibilities and aspirations
- Our policies are designed to provide flexibility and help employees lead a more fulfilled life. Flexible working hours, work from home, and sports are a few options that are extended to our employees
- We also value the physical and mental wellness of our employees. We have programmes exclusively developed to address employee health and wellness through talks and presentations by doctors
- We have annual health programmes, health checks, preventive awareness programmes and we provide access to other counsellors and experts. Our employees also can fulfil their social obligations through health, education, and community initiatives

Growing together

Our rewards and recognition policies are designed to create a motivating and fulfilling work environment for employees and make them an integral part of this progressive journey.

- **Leadership Incentive Compensation Plan:** It is an incentive based on the performance of the individual, function, or unit and Stelis. Outstanding achievers stand to receive incentives over 100% under this plan
- **Employee Stock Ownership Plan or ESOP:** Our employees can benefit from the stock options that are designed for long-term wealth creation and are offered to employees after the completion of one year in the company. The plan is distributed over 4 years with differentiated vesting percentages
- **Long Service Award, Cash Award:** We recognise employees who complete 5, 10, 15, 20 years of continuous service within the group

Community development

At Stelis, community development is integral to our business commitment. Our efforts extend beyond offering biopharma products and services to address the needs of the underserved, ensuring availability of better healthcare facility, educational infrastructure, safe drinking water, and a healthy environment. Going forward, we will collaborate with various philanthropic organisations for the progress and development of the communities around our manufacturing facilities

Governance

We are committed to maintaining the highest standards of governance in everything we do. Our Board of Directors ensures this through diligent oversight, putting in place the governance structure and through policies and procedures that align with global best practices. The Board guides the leadership team on all key aspects such as value creation, equitable treatment, policy compliance, and keeping our commitment to ethics and values.

At Stelis, we strive for excellence by reinforcing our fundamental principles of Integrity, Collaboration, and Efficiency at all levels of the organisation.

Globally benchmarked governance practices

Code of conduct

Our Code of Conduct is applicable to all our employees, directors and business partners, ensuring compliance with all the applicable laws and norms in financial and non-financial management, as well as fair, transparent, and ethical workplace and business practices.

Robust governing policies

Our Board has adopted robust policies including the Code of Conduct, Board Diversity Policy, Quality and Compliance, Safety Policy, Policy on Materiality of Information, CSR Policy, Human Rights Policy, Related Party Transaction Policy, among others. We review these policies periodically and make amends based on the changing ESG landscape.

Board diversity

Our Board's diverse group of knowledgeable and experienced members significantly contributes to enriching our Company's decision-making process.

Way forward

In order to provide the highest quality products and services, we maintain strict monitoring and control at our manufacturing facilities. Furthermore, we will keep investing in innovative technologies and processes to achieve faster and better results, adhering to the global standards and policies, and staying committed to our core values.

Leadership **team**

Leading with **focus and foresight**

Mark was previously the CBO for AGC Biologics, one of the world's leading global biopharmaceutical CDMOs. He led them nearly to a 3x increase in new sales in just two years and drove the acquisition of most of the world's top large pharma companies into their portfolio. Before that, he led the global integration of three CDMOs that were merged to create AGC Biologics. Prior to joining AGC Biologics, he served over 25 years in the management consulting industry, leading large-scale business transformations and guiding many of the world's renowned companies to achieve record revenue and profit. Before that, Mark led a succession of US Navy units to unprecedented results, including serving as a combat centre leader on a destroyer class ship.

Mark W. Womack
Managing Director and CEO

With 20+ years of experience in the finance, strategy, taxation, and M&A. He has been with the Group for over a decade and was earlier the CFO for SeQuent Scientific Limited. He is credited to have led SeQuent towards sustainable growth and deliver significant stakeholder value.

PR Kannan
Executive Director and CFO

Venkat comes with 18+ years of experience including international experience in a leading pharmaceutical company. He is recognised for supporting short- and long-term corporate growth strategies and driving enterprise-wide processes, productivity improvements, capability building and cultural transformation through HR best practices and employee engagement policies for global businesses. He is a Human Resources professional with significant leadership experience in Organisation Design, Talent & Succession Management, Divestment/Restructuring, Employee Experience and Inclusion & Diversity. Prior to joining Stelis, he was with Teva Pharmaceutical Industries Limited, Mumbai as Head HR, Global Business Services, India & Global Task Force Leader of Employee Experience for Teva Global Operations. Previously, he was associated with Dr. Reddy's Laboratories Ltd, Deloitte & D.E. Shaw India Private Limited.

Venkat Vishwanath
Chief Human Resources Officer

Anand was instrumental in setting up a world-class protein formulation and analytics group at Biocon. He has over 22 years of experience in research and has led CMC development of several biosimilars (MABs, Insulin analogues) and novel molecules as per the requirements of global regulatory bodies. His expertise includes process development, scale up, technology transfer, troubleshooting formulation development and protein analytical development and characterisation.

Dr. Anand Khedkar
Senior Vice President, Research and Development

Vishvesh comes with over 28 years of international work experience in leading biopharmaceutical companies and academic institutions. Prior to joining Stelis, he was with Dr. Reddy's Laboratories, Hyderabad as Vice President – Quality and Partner Operations, Biologics Division since 2011. There he was instrumental in establishing a Quality Function, designed and rolled out an efficient Quality Management to enable the integration of quality throughout the product lifecycle, leveraged the Strategy Deployment Process (SDP) framework for designing and enabling processes for anytime audit readiness and successfully led the Biologics Business Unit in over 40 National and International Regulatory Audits.

Vishvesh Kumar Bhupathiraju
Senior Vice President & Head - Quality Management

Milan has over two decades of experience in creating business values in biotech and pharmaceutical industry worldwide. Before venturing into business development, he worked as an engineer – setting up one of the biggest IV fluid facility. At Stelis, his goal is to establish global footprints of Stelis products. Prior to joining Stelis, he was Director of Business Development at Apotex and worked for companies like Mabxience and Intas where he established presence for Biosimilars in regulated and emerging markets. Milan has been instrumental in successfully concluding more than 70 licensing collaboration agreements covering Biosimilars, Biologics and Specialty Pharmaceuticals across North America, Japan, China, Russia, Southeast Asia, Europe, and the Middle East.

Milan Doshi
Senior Vice President, Global Business Development

Board of **Directors**

Harnessing **diverse expertise**

Former MD of HDFC Bank, India's largest private sector bank. He was the longest-serving head of any private bank in the country. India Today ranked him at #24 in India's 50 Most Powerful People of 2017 list. He is a qualified Chartered Accountant from the Institute of Chartered Accountants of India and has many awards and accolades to his credit.

Aditya Puri
Non-Executive Director & Chairperson

Former IAS officer and the first woman to hold the post of Revenue Secretary, Ministry of Finance. She had also held different positions in the Ministry of Urban Development, Ministry of Health & Family Welfare and Ministry of Home Affairs in the Union Government. She was voted one of 25 Most Powerful Women in Business in India in 2004.

Vineeta Rai
Independent Director & Chairperson of Audit Committee

Partner at TPG Growth. He has worked on investments in multiple sectors, including healthcare, energy, and consumer sectors across India and the broader South-Asia region. He also serves on the Boards of Cancer Treatment Services International, Rhea Healthcare, and Sutures India.

Ankur Thadani
Non-Executive Director

Senior Advisor, TPG Capital, Former Advisory Leader, Grant Thornton. He has significant experience in private equity, mergers and acquisitions, valuations, healthcare, medical devices, life sciences, business improvement, and capital markets.

Mahadevan N
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.

Arun Kumar
Founder

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20+ years of experience in the finance, strategy, taxation, and M&A. He has been with the Group for over a decade and was earlier the CFO for SeQuent Scientific Limited. He is credited to have led SeQuent towards sustainable growth and deliver significant stakeholder value.

PR Kannan
Executive Director and CFO

Board's report

To,
The Members
Stelis Biopharma Private Limited

Your Directors have pleasure in presenting the Fourteenth Board Report and Audited Financial Statements for the financial year ended March 31, 2021.

1. Financial Summary

Consolidated financial performance of the Company for the year ended March 31, 2021 is summarised as under:

(₹ in Million)

Particulars	2020-21	2019-20
Revenue from Operations	213.90	15.42
Other income	10.05	7.55
Profit/ (Loss) Before Tax (PBT)	(1,205.61)	(1,397.86)
Profit/ (Loss) After Tax (PAT)	(1,208.29)	(1,397.86)
EBITDA	(703.41)	(831.93)

2. Business Overview for FY 20-21

Global CDMO Services

We are an end-to-end contract development and manufacturing organisation (CDMO), offering services to global companies. We have deep expertise and high speed of execution in product development and manufacturing. We also possess comprehensive capabilities from cell line and process development through to scale up, cGMP manufacturing and fill/finish of proteins and peptides which help us deliver solutions for complex projects from our state-of-the-art R&D, scale-up and cGMP manufacturing facilities.

Progress so far

Healthy orderbook in Drug Product block

With a robust orderbook in Drug Product commercial segment for the next 18-24 months, we are filing for approvals on behalf of our partners in various markets, including the United States and Europe.

Regulatory approvals for partnered product filings

As the COVID-19 related travel restrictions are gradually lifting, global regulatory authorities including the European Medicine Agency (EMA) and United States Food and Drug Administration are expected to inspect our partnered product filings. We expect inspections for regulatory approvals to resume when traveling across the globe normalises.

Drug substance block gaining commercial traction

The microbial drug substance is fully validated and is under partner inspections for new business. A funnel of partnered products to be manufactured as exhibit batches and to initiate regulatory approvals for the site. Pending installation (impacted due to COVID-19 restrictions) on mammalian block initiated, to be mechanically completed by the end FY22.

Vaccines

We are offering process development, scale-up, and manufacturing services for biologics and sterile injectables from a dedicated, state-of-the-art facility. Our aim is to be a full-service vaccine CDMO player and the go-to partner for global biopharmaceutical companies. We have set up a dedicated vaccine facility to cater to multiple vaccine types, including viral vector, protein subunit, messenger Ribonucleic Acid (mRNA) and Deoxyribonucleic Acid (DNA). This facility is completely separated from the other two facilities to eliminate any cross-contamination.

Progress so far

Commercialisation of Sputnik V vaccine

In March 2021, we partnered with Russian Direct Investment Fund (RDIF) to supply Sputnik V vaccine. The two components (rAD5 and rAD26) of the vaccine have been validated on the small scale.

New vaccine partnerships

We have significant ongoing interest and discussions to partner with other global players for manufacturing of new vaccines apart from COVID-19.

Own Products

We are building a portfolio of advanced biosimilars, peptides, and other products. While exploring opportunities in different categories, our core focus is on building a strong diabetics portfolio to target an exponentially growing world problem. We are scaling up our product business on the back of significant investments. We are focusing on commercialising high-quality, affordable products with deep technical expertise and capabilities coupled with marquee partnerships.

Progress so far

We are targeting to produce various molecules for the treatment of osteoporosis, diabetes, and haemorrhoids.

Molecule	Market size	Indication	Development stage	Latest update
STLP001 (Rh-Teriparatide)	~US$2 Bn	Osteoporosis	Filed in EU; phase 1 ready for US	EU filing for MAA under review cycle In discussion with 20+ companies to license the product to commercialise in different markets
STLI001 (Glargine)	~US$13 Bn	Diabetes	Clinical	Phase-1 clinical trial for India dosing completed; initial results encouraging Global filings for several markets starting FY23
STLI002 (Aspart)	~US$9 Bn	Diabetes	Pre-clinical	Programme initiated and on track for late FY24 filing
STLI003 (Lispro)	US$7 Bn	Diabetes	Pre-clinical	Programme initiation and scale-up planned
STLG001 (Under development)	~US$6 Bn	Diabetes	Scale-up	On track for filing via ANDA path
STLG002 (Under development)	~US$7 Bn	Diabetes	Scale-up	Development initiated, on track for filing in FY23 via ANDA path
STLS001 (Anti-hemorrhoid)	~US$5 Bn	Diabetes	Pre-clinical	Pre-clinical stage, post FY24 opportunities

Capital Raise at Stelis

During 2021, Stelis successfully concluded its Series B and Series C fund raise. With the current capital raise, Stelis is now well positioned to pursue its growth initiatives and scale its business model to deliver promising returns in the coming years.

Series B funding round – Opportunity for existing investors

a) Stelis as part of its Series B issue raised USD 70 million from existing investors through partly paid shares;

b) The Family office of Promoters led the funding round with USD 56 million commitment.

c) Strides Pharma Science Limited has subscribed the balance USD 14 million.

Series C funding round – Significant interest from marquee investors

a) Stelis has raised an additional funds through Series C funding round including a primary infusion of USD 85 million in the company and a secondary placement of USD 40 million for GMS Holdings, a key shareholder in Stelis.

b) Funding round was led by TPG Growth followed by other long-term investors namely, Route One, Think Investments and the Mankekar Family of India.

Utilisation of proceeds under the capital raise

a) Completion of last mile capex for the CDMO business including setting up of mammalian block, ramp up of process development lab and other technical capabilities.

b) Accelerating the vaccine block infrastructure with ability to cater to multiple vaccine types including viral vector, protein subunit, RNA and DNA.

c) Debt servicing and other general corporate expenses.

Profile of key shareholders

Our growth partners

TPG Growth

A middle market and growth equity investment platform of TPG, the global alternative asset firm. With more than $13.7 billion of assets under management, TPG Growth targets investments in a broad range of industries and geographies. TPG Growth has the deep sector knowledge, operational resources, and global experience to drive value creation, and help companies reach their full potential. The firm is backed by the resources of TPG, which has more than $108 billion of assets under management.s

Think Investments

A multi-billion AUM investment firm headquartered in San Francisco with additional offices in Bombay. Think is focused on partnering with exceptional public and private companies globally. The firm invests with a multi-year time horizon and its investment philosophy is primarily driven by bottom-up company fundamentals. Think Investments was founded in January 2014 by Mr. Shashin Shah.

Route One investment company

An investment advisory firm based in San Francisco. The firm was founded in November 2010 and invests globally in listed equities and invests opportunistically in private transactions.

Mankekar family office

Represented by Mr. Kedar Mankekar & Mr. Shivanand Mankekar, the family office invests personal money of Mankekar Family in Public Markets as well as in Private Equity/Venture Capital opportunities.

3. Dividend

The Board of Directors have not recommended any dividend for the year ended March 31, 2021.

4. Transfer to Reserves

The Company is not proposing to carry any amount to reserves for the year ended March 31, 2021.

5. Share Capital

The Authorised Share Capital of the Company as at March 31, 2021 is as follows:

Authorised Capital	In ₹
3,550,000 equity shares of ₹10 each	35,500,000
134,334 Series A Compulsorily Convertible Preference Shares Preference Shares of ₹10 each	1,343,340
179,112 Series B Compulsorily Convertible Preference Shares Preference Shares of ₹10 each.	1,791,120
Total	**38,634,460**

Movement in paid-up capital of the Company during the Financial Year 2020-21 and as at the date of this report is as under:

A) Following Equity shares of face value of ₹10 each, at a premium of ₹8,322 per share by way of Private Placement in multiple tranches during FY 2020-21:

Name of Share Holder	No of equity shares allotted
Strides Pharma Science Limited	242,436
GMS Pharma (Singapore) Pte Ltd	54,008
Total	**296,444**

B) Following Equity shares of face value of ₹10 each, at a premium of ₹8,322 per share by way of multiple Rights Issues during FY 2020-21:

Name of Share Holder	No of equity shares allotted
Strides Pharma Science Limited	45,030*
GMS Pharma (Singapore) Pte Ltd	19,500
Total	**64,530**

*Out of this, 3,026 Equity shares were allotted at at a premium of ₹8,253 per share

C) Following Compulsorily Convertible Preference Shares (CCPS) were converted into Equity shares and equivalent Equity Shares were allotted to respective shareholders as per the terms of CCPS during FY 2020-21:

#	Name of Shareholder	Series and Number of CCPS held	No. of CCPS converted and equity shares allotted	Balance CCPS held
1	GMS Pharma (Singapore) Pte Ltd	33,523	33,523	Nil
2	Tenshi Life Sciences Private Limited	17,378	17,378	Nil

D) Following Equity Shares of face value of ₹10 each at a premium of ₹9,780 per share by way of Private Placement was allotted on March 26, 2021:

Name of Share Holder	No of Shares Allotted
Medella Holdings Pte Ltd	111,854
Shivanand Shankar Mankekar HUF	74,566
Laxmi Shivanand Mankekar	1
Jt. Shivanand Shankar Mankekar	
Jt. Kedar Shivanand Mankekar	
Kedar Shivanand Mankekar	1
Jt. Shivanand Shankar Mankekar	
Shivanand Shankar Mankekar	1
Jt. Laxmi Shivanand Mankekar	
Jt. Kedar Shivanand Mankekar	
Total	**186,423**

E) Following share transfers were taken on record during FY 2020-21:

1. Manjula Ramamurthy (Transferor), who was holding 1 equity share as a Nominee shareholder on behalf of Strides Pharma Science Limited (Transferee), transferred it back to Strides Pharma Science Limited;

2. Pratap Rudra (Transferor), who was holding 1 equity share as a Nominee shareholder on behalf of Strides Pharma Science Limited (Transferee), transferred it back to Strides Pharma Science Limited;

3. In line with the Share Purchase Agreement dated March 1, 2021, which was executed by and amongst inter alios GMS Pharma (Singapore) Pte. Ltd ("GMS"), Medella Holdings Pte. Ltd. ("Medella") and the Company, in respect of the transfer of 233,892 equity shares of the Company, GMS transferred 233,892 equity shares of the Company to Medella.

F) Equity Warrants

During the year, the Company allotted 2,400 equity warrants to Mr. Joe Thomas, the erstwhile Executive Director and CEO of the Company as a reward for his significant contribution during his tenure.

Price per warrant was at ₹8,332/-, ₹10 being the subscription amount.

In line with the terms of the warrants, Mr. Joe has subscribed to the entire 2,400 equity warrants.

On May 3, 2021, such warrants has been converted into equity and equivalent number of equity shares has been allotted to Mr. Joe Thomas, after receipt of entire consideration from Mr. Joe Thomas.

G) Allotments post March 31, 2021 and as at the date of this report

Following Equity Shares of face value of ₹10 each at a premium of ₹9,780 per share by way of Private Placement was allotted from April 1, 2021 until the date of this report:

Name of Share Holder	No of Shares Allotted
Route One Fund I, L.P.	179,147
Route One Fund II, L.P.	533
Route One Offshore Master Fund, L.P.	44,027
TIMF Holdings	167,780
Think India Opportunities Master Fund LP	55,927
Total	**447,414**

Issued share capital of the Company as at March 31, 2021:

Issued Equity Capital	In ₹
1,543,309 equity shares of ₹10 each	15,433,090
Issued Series A & B Compulsorily Convertible Preference Shares	-
Total	**15,433,090**

Subscribed and paid-up share capital of the Company as at March 31, 2021:

Issued Equity Capital	In ₹
1,543,309 equity shares of ₹10 each	15,433,090
Issued Series A & B Compulsorily Convertible Preference Shares	-
Total	**15,433,090**

Issued share capital of the Company as at the date of this report:

Issued Equity Capital	In ₹
1,993,123 equity shares of ₹10 each	19,931,230
Issued Series A & B Compulsorily Convertible Preference Shares	-
Total	**19,931,230**

Subscribed and paid-up share capital of the Company as at the date of this report:

Issued Equity Capital	In ₹
1,993,123 equity shares of ₹10 each	19,931,230
Issued Series A & B Compulsorily Convertible Preference Shares	-
Total	**19,931,230**

6. Board of Directors

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

- Mr. Biju Mathew was appointed as Executive Director, effective May 11, 2020. He stepped down as Executive Director of the Company with effect from October 31, 2020, owing to pre-occupation;
- Mr. S Raghavendra Rao was appointed Executive Director, effective November 1, 2020;
- Mr. Aditya Puri appointed as Non-Executive Director effective January 07, 2021;
- Mr. Ghiath Munir Reda Sukhtian and Mr. Faisal Ghiath Munir Sukhtian stepped down as Directors of the Company with effect from March 26, 2021 owing to shareholder's agreement amongst the shareholders;
- Mr. Ankur Nand Thadani and Mr. Mahadevan Narayanamoni were appointed Non-Executive Directors representing the interest of Medella Holdings Pte Ltd, effective March 26, 2021

Post March 31, 2021, changes in composition of Board:

- Mr. P M Thampi stepped down as Independent Director of the Company with effect from April 7, 2021, owing to retirement;
- Mr. Venkat Iyer and Mr. P R Kannan stepped down as Directors of the Company with effect from April 7, 2021 owing to pre-occupation;
- Mr. Arun Kumar appointed as a Non-Executive Director, representing the interest of Tenshi Life Sciences Private Limited effective April 7, 2021.

Composition of the Board of Directors as on date of this report is as under:

#	Name of the Directors	DIN	Designation	Date of Appointment
1	Mr. Deepak Vaidya	00337276	Director	May 5, 2016
2	Mr. Raghavendra Rao	08922020	Executive Director	November 1, 2020
3	Mr. Aditya Puri	00062650	Additional Director	January 7, 2021
4	Mr. Ankur Nand Thadani	03566737	Director	March 26, 2021
5	Mr. Mahadevan Narayanamoni	07128788	Director	March 26, 2021
6	Mr. Arun Kumar	00084845	Additional Director	April 7, 2021

Mr. Paresh Gupta appointed as Chief Financial Officer & Company Secretary (KMP), effective November 1, 2020.

Appointment of Mr. S Raghavendra Rao as Executive Director and regularisation of appointment of Mr. Aditya Puri and Mr. Arun Kumar as Directors of the Company shall be taken up at the ensuing Annual General Meeting of the Company for the approval of the Members.

7. Meetings of the Board

During the year under review, the Board met 12 (twelve) times and the intervening gap between meetings was not more than 120 days.

These meeting were held on April 11, 2020, April 16, 2020, June 4, 2020, July 2, 2020, July 22, 2020, August 5, 2020, August 26, 2020, October 16, 2020, November 23, 2020, February 11, 2021, March 11, 2021 and March 26, 2021.

8. Deposits

The Company has not accepted any deposit during the year under review which is covered under Chapter V of the Companies Act, 2013 read the Companies (Acceptance of Deposits) Rules, 2014.

9. Subsidiaries, Associate Companies or Joint Ventures

The Company has two wholly owned subsidiaries viz.,

- in Singapore under the name and style of "Stelis Pte Ltd"; and;
- in USA under the name and style "Stelis Biopharma LLC" ("Stelis US")

Statement containing salient features of the financial statements of the Company's subsidiary as required in Form AOC 1 is enclosed as **Annexure 1** to this Report.

10. Nature of Business and Changes

There is no change in the nature of business of the Company during the period under review.

11. Particulars of Loans, Guarantees or Investments under Section 186

Details of investment made during the year under review, covered under the provisions of Section 186 of the Companies Act, 2013 are given in Note no. 5 to the standalone financial statements of the Company.

The Company has not provided any loan or issued any guarantees during the year under review.

12. Significant and material orders passed by the Regulators or Courts

There are no material orders passed by the Regulators/ Courts which would impact the going concern status of the Company and its future operations.

13. Related Party Transaction

All the related party transactions during FY 2020-21 were at arm's length and were in the ordinary course of business.

The particulars of material contracts or arrangements with related parties referred to in Section 188(1), as prescribed in form AOC-2 of the rule 8(2) of Companies (Accounts) Rules, 2014 is given as an **Annexure 2**.

Transactions with related parties are disclosed in Note 29 of the standalone financial statements.

14. Risk Management Policy

The Company takes measures to identify and mitigate the risk affecting the organisation on an ongoing basis.

The assets of the Company are adequately insured against loss due to fire, riots, earthquake, terrorism, etc., and against other perils that are considered necessary by the management.

15. Corporate Social Responsibility ("CSR")

Provisions relating to CSR are not applicable to the Company for the year ended March 31, 2021.

16. Internal Control System

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

17. Material changes and commitments

There were no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relates and the date of the report.

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

The details on Conservation of Energy, R&D, Technology Absorption and Foreign Exchange Earnings and Outgo are enclosed as **Annexure 3** to this Report.

19. Auditors

A) Statutory Auditors

Members are apprised that the term of appointment of M/s Deloitte Haskins & Sells LLP (Firm Registration Number 117366W/W-100018) as Statutory Auditor of the Company is ending at the ensuing 14th AGM of the Company.

M/s Deloitte Haskins & Sells (Firm Registration Number 008072S) have consented to be re-appointed as the Statutory Auditor of the Company.

In line with the Companies Act 2013, an Audit Firm can be appointed as the statutory auditor of a Company for a period of ten years, viz., two terms of five years each.

In line with the provisions of section 139 of the Companies Act 2013, Board recommends appointment of M/s Deloitte Haskins & Sells (Firm Registration Number 008072S) as the Statutory Auditor of the Company for a term of five years at the ensuing Annual General Meeting of the Company.

B) Secretarial Auditor

Members are apprised that as per the amended provisions of the Companies Act, 2013, any company with outstanding loans/ borrowing from banks or public financial institutions of ₹100 crore or more is required to obtain 'Secretarial Audit Report' from an independent practicing company secretary.

Stelis qualifies for the aforesaid requirement since it's borrowing from banks and financial institutions is more than ₹100 Crores.

Accordingly, the Board of Directors of the Company appointed M/s. Gopalkrishnaraj H & Associates, a firm of Company Secretaries in Practice (Certificate of Practice No: 4152) as the Secretarial Auditor for the Company for FY 2020-21.

The Secretarial Audit Report is enclosed as **Annexure 4** to the Board's Report and does not contain any qualifications, reservations or adverse remarks.

C) Internal Auditors

M/s. Grant Thornton India LLP are the Internal Auditors of the Company.

During the year under review, the Internal Auditors were satisfied with the management response on the observations and recommendations made by them during the course of their audit and have expressed satisfaction with the internal controls implemented by the Company.

20. Audit Report

There were no qualifications, reservations or adverse remarks made by the Auditors in their report.

21. Extract of Annual Return

As required under Section 92(3) of the Companies Act 2013 read with rule 12(1) of the Companies (Management and Administration) Rules, 2014, the details forming part of the extract of the Annual Return in Form MGT 9 is annexed as **Annexure 5** and forms part of this report.

22. 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.

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, 2021.

24. Disclosure on maintenance of Cost records

The Company is not required to maintain Cost Records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the year ended March 31, 2021.

25. Internal Complaint Committee

The Company has adopted a Policy on Prevention of Sexual Harassment. All employees of the Company are covered under this policy.

The Company has further appointed representatives on the Internal Complaint Committee that has been set up to redress complaints received regarding sexual harassment.

There were no incidents reported for year ended March 31, 2021.

26. Compliance of applicable secretarial standards

The Company has complied with all provisions of applicable secretarial standards during the year ended March 31, 2021.

27. Directors' Responsibility Statement

Pursuant to the requirement under clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013 ("Act") with respect to the Directors' Responsibility Statement, the Board of Directors of the Company state that:

a) in the preparation of the annual accounts, for the period ended March 31, 2021 the applicable accounting standards have been followed along with proper explanation relating to material departures.

b) the 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 for the period under review on a going concern basis.

e) 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.

28. Acknowledgement

Your Directors wish to place on record their appreciation and acknowledgement for the support and co-operation extended by all the stakeholders of the Company and look forward to their continued support.

For Stelis Biopharma Private Limited

	Deepak Vaidya	**Arun Kumar**
	Chairman of the Board &	Non-Executive Director
Place: Bangalore	Non-Executive Director	DIN: 00084845
Date: June 4, 2021	DIN: 00337276	

Annexure 1

Form AOC 1

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

Statement containing sailent features of the financial statement of subsidiaries/ associate companies/ joint ventures

PART A - SUBSIDIARIES

Information relating to Subsidiaries of the Company as at March 31, 2021

₹ in Mio

Sl No.	Name of the Subsidiary	Country of incorporation	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency	Exchange Rate as on last date of the relevant Financial year in the case of foreign subsidiaries	(a) Share Capital (Includes Monies pending allotment)	(b) Reserves & Surplus	(c) Total Assets	(d) Total liabilities	(e) Investments	(f) Turnover	(g) Profit before taxation	(h) Provision for taxation	(i) Profit after taxation	(j) Proposed dividend	(k) % Share-holding
A	**Subsidiaries**															
1	Stelis Pte. Ltd	Singapore	NA	USD	73.18	516.59	(33.60)	483.68	0.69	-	-	-	-	(5.48)	-	100.00%
2	Stelis Biopharma LLC	USA	NA	USD	73.18	15.34	14.11	33.95	4.50	-	57.25	15.06	-	15.06	-	100.00%

PART B - ASSOCIATES OR JOINT VENTURES

Sl No.	Name of the Subsidiary	Country of incorporation	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Currency	Exchange Rate as on last date of the relevant Financial year in the case of foreign subsidiaries	(a) Share Capital (Includes Monies pending allotment)	(b) Reserves & Surplus	(c) Total Assets	(d) Total liabilities	(e) Investments	(f) Turnover	(g) Profit before taxation	(h) Provision for taxation	(i) Profit after taxation	(j) Proposed dividend	(k) % Share-holding
A	Associates and Joint Ventures	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

For Stelis Biopharma Private Limited

Deepak Vaidya
Chairman of the Board &
Non-Executive Director
DIN: 00337276

Arun Kumar
Non-Executive Director
DIN: 00084845

Place: Bangalore
Date: June 4, 2021

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)

Disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under the third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis – There were no contracts or arrangements, or transactions entered into by the Company with related parties during the year ended March 31, 2021 which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2021 are as below:

Sl No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Monetary Value upto (₹ in Million)	Date(s) of approval by the Board	Amount paid as advances, if any
1	Tenshi Life Sciences Pvt Ltd	Support Service charges	Concurrent	Support Service charges	12.37	At arm's length in the ordinary course of business	Nil
		Purchase of Services	NA	Purchase of Services	7.57		-
		ICD received	NA	ICD received	100.00		-
		ICD Repaid	NA	ICD Repaid	400.00		-
2	Arco Lab Pvt Ltd	Support Service charges	Concurrent	Support Service charges	19.40		Nil
		Purchase of Services	NA	Purchase of Services	4.06		-
3	Strides Pharma Science Ltd	Support Service charges	NA	Support Service charges	1.58		-
		Guarantee Commission	NA	Guarantee Commission	42.13		-
		Purchase of Services	NA	Purchase of Services	0.62		-
		Purchase of property, plant and equipment	NA	Purchase of property, plant and equipment	2.93		-
4	SteriScience Pte Limited	Revenue from operations	NA	Revenue from operations	21.86		-
5	SteriScience Specialties Pvt Ltd	Revenue from operations	NA	Revenue from operations	0.20		-
		Advance received	NA	Advance received	432.28		-
		Advance Repaid	NA	Advance Repaid	420.00		-
		ICD received	NA	ICD received	381.50		-
		ICD Repaid	NA	ICD Repaid	381.50		-

For Stelis Biopharma Private Limited

Place: Bangalore
Date: June 4, 2021

Deepak Vaidya
Chairman of the Board &
Non-Executive Director
DIN: 00337276

Arun Kumar
Non-Executive Director
DIN: 00084845

Annexure 3

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 installed low energy consumption lights in Stelis R&D facility so that energy consumption could be minimised.

(ii) The steps taken by the company for utilising alternative sources of energy:
Since the Company has R&D facility with limited energy consumption, the company has not explored alternate energy sources, but have factored energy saving methods in the design for the manufacturing facility which are coming up in Bangalore.

(iii) The capital investment on energy conservation equipment:

a) Installed motion detectors to switch off lights whenever not required

b) Installed temperature monitoring system along with auto shut off to save energy when the temperature in the labs reached 24C

c) Installed N2 gas generator for lab application which reduced the consumption and dependency of buying commercial N2 gas supply from outside, without additional infrastructure.

d) Variable Frequency Drive (VFD) system is installed for Air Handling Units (AHU) to reduce the CFP/Temperature whenever the room is not fully operational.

(B) Technology Absorption:

(i) The efforts made towards technology absorption:
The Company has evaluated various technologies towards bringing higher expression systems, newer products, newer purification technologies into our R&D program.

(ii) The benefits derived like product improvement, cost reductions, product development or import substitution:
Some of the newer resins used in the systems improved the protein recoveries, which in turn improves Cost-of-goods. These were implemented at R&D scale and now needs to be established at commercial manufacturing scale.

Connected the building down take to fire hydrant sump and overflow of the same connected to rainwater harvesting ground water recharge pit.

This reduced the usage of raw water for cleaning and gardening purposes.

(iii) 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: ₹13,518,764
Foreign Exchange outgo in terms of Actual Outflows: ₹594,912,639

For Stelis Biopharma Private Limited

	Deepak Vaidya	**Arun Kumar**
	Chairman of the Board &	Non-Executive Director
Place: Bangalore	Non-Executive Director	DIN: 00084845
Date: June 4, 2021	DIN: 00337276	

Annexure 4

Form No. MR-3

Secretarial Audit Report

For the financial year ended 31st March 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Stelis Biopharma Private Limited
CIN: U74140KA2007PTC043095

Regd. Office
Plot No. 293, Bommasandra, Jigani Link Road,
Jigani Industrial Area, Anekal Taluk,
Bengaluru – 560105

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by 'Stelis Biopharma Private Limited ('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 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 March 31, 2021 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 March 31, 2021 according to the provisions of:

1) The Companies Act, 2013 (the Act) and the rules made thereunder.

2) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder are not applicable to the company, as the company is private and unlisted company.

3) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder.

4) Foreign Exchange Management Act, 1999 (FEMA) and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment.

5) Secretarial Standards issued by The Institute of Company Secretaries of India.

6) 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 private company.

During the period under review, the Company has complied with all the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above.

As the company is an unlisted private company, the provisions of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 and other laws governed by SEBI are not applicable to the company.

We further state that, during the period under review and based on our verification of the records maintained by the Company in our opinion, adequate systems, processes and control mechanism commensurate to the size and nature of the Company's business exist in the Company to monitor and ensure compliances with applicable laws, including industry specific laws, labour laws, intellectual property laws and environmental laws. We have not reviewed the applicable financial laws, direct and indirect tax laws since the same have been subject to review and audit by the Statutory Auditors of the Company. Further, we state that due to restrictions imposed by the Government on account of COVID-19, we were not able to verify certain records physically and relied on the soft copies provided electronically by the company.

We, further report that:

1) As at March 31, 2021, the Board of Directors of the Company is duly constituted. 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

2) Adequate notice has been given to all directors to schedule the board meetings, agenda and detailed notes on agenda were sent at least seven days in advance and in some meetings with shorter notice as per the Secretarial Standard 1 (SS-1). Further, 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.

3) All decisions of the Board were unanimous and there were no dissenting views by any Members of the Board during the period under review.

We further report that during the audit period, the company has taken the following decisions with the approval of members.

Date of Meeting	AGM/ EGM	Matters considered
16 Apr 2020	EGM	Approval to issue 46,000 (Forty Six Thousand) Equity shares of the Company of face value ₹10/- (Rupees Ten Only) each at a premium of ₹8,322/- (Rupees Eight Thousand Three Hundred and Twenty Two Only) per share to Strides Pharma Science Limited, on a private placement basis in one or more tranches. Approval to issue 2,400 (Two Thousand Four Hundred) Equity Warrants of face value ₹10/- (Rupees Ten Only) each at a premium of ₹8,322/- (Rupees Eight Thousand Three Hundred and Twenty-Two Only) per share on a private placement basis to Mr. Joe Thomas.
2 July 2020	EGM	To authorize issue of equity shares of the Company on a private placement basis - 1,26,008 (One Lakh Twenty-Six Thousand and Eight) Equity shares of the Company of face value ₹10/- (Rupees Ten Only) each at a premium of ₹8,322/- (Rupees Eight Thousand Three Hundred and Twenty-Two only) per share.
26 Aug 2020	EGM	To authorize issue of equity shares of the Company on a private placement basis to Strides Pharma Science Limited – 50,000 (Fifty Thousand) Equity shares of the Company of face value ₹10/- (Rupees Ten Only) each at a premium of ₹8,322/- (Rupees Eight Thousand Three Hundred and Twenty-Two only) per share.
31 Aug 2020	AGM	Appointment of Mr. Biju Mathew as Executive Director of the Company for a period of one year and fix his remuneration.
23 Nov 2020	EGM	To authorize issue of equity shares of the Company on a private placement basis to Strides Pharma Science Limited - 76,436 (Seventy-six thousand four hundred and thirty-six only) Equity shares of the Company of face value ₹10/- (Rupees Ten Only) each at a premium of ₹8,322/- (Rupees Eight Thousand Three Hundred and Twenty-Two only) per share.

Date of Meeting	AGM/ EGM	Matters considered
11 Jan 2021	EGM	Amendment to the Situation Clause of the Memorandum of Association of the Company - from Bengaluru in the State of Karnataka to Mumbai in the State of Maharashtra.
11 Feb 2021	EGM	To authorize issue of 1,35,020 (One Lakh Thirty-Five Thousand and Twenty) Partly Paid Equity Shares of the Company to Tenshi Life Sciences Private Limited by Preferential Allotment on a Private Placement Basis. However, vide Board noting of 11 March 2021, this Issue was cancelled.
11 Mar 2021	EGM	Members of the company approved 1) Stelis ESOP Scheme 2021. 2) Preferential Allotment of following Equity Shares on a Private Placement Basis: • 613,298 Equity Shares of the Company of face value ₹10/- (Rupees Ten Only) each at a premium of ₹8,322/- (Rupees Eight Thousand Three Hundred and Twenty-Two Only); • 633,837 Fully Paid Equity Shares of the Company of face value ₹10/- (Rupees Ten Only) each at a premium of ₹9,780/- (Rupees Nine Thousand Seven Hundred and Eighty Only) per share.
26 Mar 2021	EGM	Members of the company approved • Alteration and adoption of Articles of Association of the Company • Regularization of Directors Appointment of Mr. Ankur Thadani & Mr. Mahadevan Narayanamoni.

For Gopalakrishnaraj H H & Associates
Company Secretaries

Gopalakrishnaraj H H
Proprietor
FCS: 5654; CP: 4152
UDIN: F005654C000416438
Peer Review Certificate No. 945/2020

Place: Bangalore
Date: June 3, 2021

Annexure to Secretarial Audit

To,
The Members,
Stelis Biopharma Private Limited
CIN: U74140KA2007PTC043095
Plot No. 293, Bommasandra, Jigani Link Road,
Jigani Industrial Area, Anekal Taluk, Bengaluru – 560105

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.

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 management. 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.

For Gopalakrishnaraj H H & Associates
Company Secretaries

Gopalakrishnaraj H H
Proprietor
FCS: 5654; CP: 4152
UDIN: F005654C000416438
Peer Review Certificate No. 945/2020

Place: Bangalore
Date: June 3, 2021

Annexure 5

Form No. MGT-9
Extract of Annual Return
As on March 31, 2021

[Pursuant to section 92(3) of the Companies Act, 2013 and
Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details:.

CIN	U74140KA2007PTC043095
PAN	AABCI7084A
Registration Date	June 12, 2007
Name of the Company	Stelis Biopharma Private Limited
Category / Subcategory of the Company	Company Limited by shares / Non-Govt. Company
Address of the Registered Office and Contact Details	Plot No. 293, Bommasandra, Jigani Link Road, Jigani Industrial Area, Anekal Taluk, Bangalore 560105, Karnataka
Email ID	Anirban.gupta@strides.com
Telephone No.	080-67840 444
Website	www.stelis.com
Whether listed Company	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	Integrated Registry Management Services Private Limited CIN: U74900TN2015PTC101466 2nd Floor, "Kences Towers" No. 1, Ramakrishna Street, North Usman Road, T Nagar, Chennai - 600 017

II. Principal Business Activities of the Company
All the business activities of the company:

#	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Biotech	72100	100%

III. Particulars of Holding, Subsidiary and Associate Companies

#	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1.	Stelis Pte. Ltd, Singapore 36, Robinson Road, #13-01, City House, Singapore – 068877	201906845R	Subsidiary	100%	2(87)
2.	Stelis Biopharma LLC, USA 1600 Duane Ave, Santa Clara, CA 95054	7850522	Subsidiary	100%	2(87)

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity):

i. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year as on April 1, 2020				No. of Shares held at the end of the year as on March 31, 2021			
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares
A. Promoters								
1. Indian								
Individual/HUF	-	-	-	-	-	-	-	-
Central Govt.	-	-	-	-	-	-	-	-
State Govt(s)	-	-	-	-	-	-	-	-
Body Corp.	-	-	-	-	266,760	-	266,760	17.29
Banks/FI	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-
Sub-total (A) (1)	**-**	**-**	**-**	**-**	**266,760**	**-**	**266,760**	**17.29**
2. Foreign								
NRI-Individuals	-	-	-	-	-	-	-	-
Others-Individuals	-	-	-	-	-	-	-	-
Body Corp.	-	-	-	-	-	-	-	-
Banks/FI	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-
Sub-total (A) (2)								
Total shareholding of Promoters(A) = (A)(1) +(A)(2)	**-**	**-**	**-**	**-**	**266,760**	**-**	**266,760**	**17.29**
B. Public Shareholding								
1. Institutions								
Mutual Funds	-	-	-	-	-	-	-	-
Banks/FI	-	-	-	-	-	-	-	-
Central Govt.	-	-	-	-	-	-	-	-
State Govt(s)	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-
FIIs	-	-	-	-	-	-	-	-
Foreign Venture Capital Funds	-	-	-	-	-	-	-	-
Others (specify)	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-
1. Non-Institutions	-	-	-	-	-	-	-	-
a. Bodies Corp								
Indian	701,202	2	701,204	74.20	739,286	2	739,288	47.90
Overseas	-	243,807	243,807	25.80	111,854	350,838	462,692	29.98
b. Individuals								
Individual shareholders holding nominal share capital upto ₹1 lakh*	-	-	-	-	3	-	3	0.00
Individual shareholders holding nominal share capital in excess of ₹1 lakh	-	-	-	-	-	-	-	-
c. HUF					74,566	-	74,566	4.83
Others (specify)	-	-	-	-	-	-	-	-
Sub-total (B)(2)	**701,202**	**243,809**	**945,011**	**100**	**925,711**	**350,838**	**1,276,549**	**82.71**
Total Public Share-holding (B)=(B)(1)+(B)(2)	**701,202**	**243,809**	**945,011**	**100**	**925,711**	**350,838**	**1,276,549**	**82.71**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**701,202**	**243,809**	**945,011**	**100**	**1,192,471**	**350,838**	**1,543,309**	**100**

ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year as on April 1, 2020			Shareholding at the end of the year as on March 31, 2021			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Tenshi Life Sciences Private Limited*	-	-	-	266,760	17.29	-	17.29

*Tenshi has been categorised as Promoter as per the Shareholders Agreement dated March 18, 2021.

iii. Change in Promoters' Shareholding

Sl. No.		Shareholding at the beginning of the year as on April 1, 2020		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**Tenshi Life Sciences Private Limited**				
	At the beginning of the year *	249,382	26.39	-	-
	Add: Allotment of shares pursuant to conversion of convertible warrants				
	June 4, 2020	17,378	1.66	266,760	25.52
	At the End of the year as on March 31, 2021			266,760	17.29

* As on April 1, 2020 Tenshi holdings were categorised under "public holdings". Pursuant the Shareholders Agreement dated March 18, 2021; Tenshi has been categorised as "Promoter". The changes in the holdings during the year have been reported here for ease of reading.

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year as on April 1, 2020		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**GMS Pharma (Singapore) Pte Ltd**				
	At the beginning of the year	243,807	25.80%	-	-
	Add: Allotment of shares pursuant to conversion of convertible warrants				
	April 16, 2020	18,153	1.88	261,960	27.11
	June 4, 2020	15,370	1.47	277,330	26.93
	Add: Allotment of shares pursuant to private placement				
	17 July 2020	29,704	2.58	307,034	26.64
	11 August 2020	24,304	2.00	331,338	27.31
	Add: Allotment of shares pursuant to rights issue				
	November 03, 2020	19,500	1.53	350,838	28.92
	Less: Transfer of shares to Medella Holdings Pte Ltd				
	March 26, 2021	233,892	15.16	116,946	7.58
	At the End of the year as on March 31, 2021			116,946	7.58
2	**Strides Pharma Science Limited**				
	At the beginning of the year	451,820	53.47%	-	-
	Add: Allotment of shares pursuant to rights issue				
	11 April 2020	3,026	0.32	454,846	47.98
	16 April 2020	18,000	1.83	472,846	48.93
	25 July 2020	24,004	2.04	496,850	41.80
	Add: Transfer of shares from Ms. Manjula Ramamurthy and Mr. Prathap Rudra	2	0.00	496,852	41.80
	Add: Allotment of shares pursuant to private placement				
	13 May 2020	6,000	0.61	502,852	50.78
	27 May 202	14,400	1.43	517,252	51.49
	04 June 2020	7,800	0.77	525,052	49.28
	18 June 2020	7,200	0.68	532,252	50.58

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year as on April 1, 2020		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	29 June 2020	10,600	1.00	542,852	51.07
	03 July 2020	60,000	5.34	602,852	53.68
	25 July 2020	12,000	1.01	614,852	51.73
	27 August 2020	18,000	1.46	632,852	51.41
	28 September 2020	18,000	1.44	650,852	52.11
	16 October 2020	6,000	0.48	656,852	52.02
	03 November 2020	6,000	0.47	662,852	52.01
	24 November 2020	30,006	2.29	692,858	52.87
	23 December 2020	12,000	0.91	704,858	53.30
	11 January 2021	12,000	0.90	716,858	53.72
	28 January 2021	6,000	0.45	722,858	53.93
	11 February 2021	9,600	0.71	732,458	54.25
	24 February 2021	6,830	0.50	739,288	54.48
	At the End of the year as on March 31, 2021	-	-	739,288	47.90
3	**Manjula Ramamurthy***				
	At the beginning of the year	1	-	-	-
	Less: Transfer of shares to Strides Pharma Science Limited	1	-	-	-
	At the End of the year as on March 31, 2021	-	-	-	-
4	**Prathap Rudra***				
	At the beginning of the year	1	-	-	-
	Less: Transfer of shares to Strides Pharma Science Limited	1	-	-	-
	At the End of the year as on March 31, 2021	-	-	-	-
5	**Medella Holdings Pte Ltd**				
	At the beginning of the year	-	-	-	-
	Add: Allotment of shares pursuant to private placement				
	26 March 2021	111,854	7.62	111,854	7.62
	Add: Transfer of shares from GMS Pharma (Singapore) Pte Ltd				
	March 26, 2021	233,892	15.15	345,746	22.40
	At the End of the year as on March 31, 2021	345,746		345,746	22.40
6	**Shivanand Shankar Mankekar HUF**				
	At the beginning of the year	-	-	-	-
	At the End of the year as on March 31, 2021	74,566	4.83	74,566	4.83
7.	**Laxmi Shivanand Mankekar Jt. Shivanand Shankar Mankekar Jt. Kedar Shivanand Mankekar**				
	At the beginning of the year	-	-	-	-
	At the End of the year as on March 31, 2021	1	-	1	-
8.	**Kedar Shivanand Mankekar Jt. Shivanand Shankar Mankekar**				
	At the beginning of the year	-	-	-	-
	At the End of the year as on March 31, 2021	1	-	1	-
9.	**Shivanand Shankar Mankekar Jt. Laxmi Shivanand Mankekar Jt. Kedar Shivanand Mankekar**				
	At the beginning of the year	-	-	-	-
	At the End of the year as on March 31, 2021	1	-	1	-

* 1 share each was registered in the name of Ms. Manjula Ramamurthy and Mr. Prathap Rudra. Strides Pharma Science Limited is the beneficial holder of the said 2 shares.

Note:

i) Apart from the shareholding that has been mentioned in Point (i) to (iv) above, the Company has also allotted Compulsorily Convertible Preference Shares to the shareholders, as mentioned below during FY 2019-20:

#	Name of Shareholder	Type of CCPS	Allotted during	Number of CCPS	Remarks
1.	GMS Pharma (Singapore) Pte Ltd (GMS)	Series B	FY 2019-20	33,523	33,523 Series B CCPS converted into equity during FY 2020-21, as per the terms of the Series A CCPS. Balance Series B CCPS held as at March 31, 2021 – 0
2.	Tenshi Life Sciences Private Limited (Tenshi)	Series B	FY 2019-20	17,378	17,378 Series B CCPS converted into equity during FY 2020-21, as per the terms of the Series A CCPS. Balance Series B CCPS held as at March 31, 2021 – 0

As at March 31, 2021, there were no Compulsorily Convertible Preference Shares in the issued and paid up capital of the Company.

ii) The Company has allotted 2,400 Equity Warrants to Mr. Joe Thomas ("Joe") eligible to be converted into equity shares on certain terms and conditions. The said warrants were converted into 2,400 equity shares as per terms of issue on May 03, 2021 and on a fully diluted basis Mr. Joe holds 0.13% stake in the Company.

v. Shareholding of Directors and Key Managerial Personnel: NIL

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year as on April 1, 2020				
i. Principal Amount	4,589,975,454	300,000,000	-	4,889,975,454
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	47,899,199	7,652,055	-	55,551,254
Total (i+ii+iii)	**4,637,874,653**	**307,652,055**	**-**	**4,945,526,707**
Change in Indebtedness during the financial year				
Addition	110,000,000	-	-	110,000,000
Reduction	(724,252,699)	(300,000,000)	-	(1,024,252,699)
Net Change	**(614,252,699)**	**(300,000,000)**	**-**	**(914,252,699)**
Indebtedness at the end the financial year as on March 31, 2021				
i. Principal Amount	3,975,722,755	-	-	3,975,722,755
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	42,194,103	-	-	42,194,103
Total (i+ii+iii)	**4,017,916,858**	**-**	**-**	**4,017,916,858**

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (₹ in Mio)
		Mr. Biju Mathew** Executive Director	Mr. S Raghavendra Rao *** Executive Director	
1.	Gross salary*	6.17	3.53	9.70
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit			
	- others, specify			
5	Others, please specify	**Retention Linked**		4.99
		2.25 Per annum		
		Performance Linked		
		2.62 Per annum		
		Arrears – 0.12		
6	Total (A)	11.16	3.53	14.69
7	Ceiling as per the Act	-	-	-

*Excludes ₹0.29 Mio contributed by the Company towards Employee's Provident Fund for Mr. Biju Mathew and ₹0.17 Mio contributed by the Company towards Employee's Provident Fund for Mr. S Raghavendra Rao

** Resigned from Directorship effective October 31, 2020. Remuneration details is from May 2020 to October 31, 2020.

***Appointed as Whole Time Director of the Company effective November 1, 2020. Remuneration details is from November 1, 2020 to March 31, 2021.

B. Remuneration to other directors:

(₹ in Mio)

Sl. No.	Particulars of Remuneration	Name of Directors			Total
		Mr. P.M. Thampi	Mr. Deepak Vaidya	Mr. Aditya Puri *	
	Directors	1.00	0.90	0.30	2.20
	• Fee for attending board / committee meetings**				
	• Commission				
	• Others, please specify				
	Total (1)	**1.00**	**0.90**	**0.30**	**2.20**
	Other Non-Executive Directors	-	-	-	-
	• Fee for attending board / committee meetings				
	• Commission				
	• Others, please specify				
	Total (2)	**-**	**-**	**-**	**-**
	Total (B)= (1+2)	**1.00**	**0.90**	**0.30**	**2.20**
	Total Managerial Remuneration (A+B)	**14.69 (excluding Sitting Fee paid to Non-Executive Directors)**			
	Overall Ceiling as per the Act	-	-	-	-

* Appointed effective January 07, 2021.
**Amount was paid after deducting necessary taxes

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

#	Particulars of Remuneration	Key Managerial Personnel		Total (₹ in Mio)
		CEO	Mr. Paresh Gupta Company Secretary & CFO **	
	Gross salary*	-	5.62	5.62
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
	Stock Option	-	-	-
	Sweat Equity	-	-	-
	Commission	-	Joining Bonus 1.00	Joining Bonus 1.00
	- as % of profit			
	- others, specify			
	Others, please specify	-	-	-
	Total (B)= (1+2)	**-**	**6.62**	**6.62**

*Excludes ₹0.28 Mio, contributed by the Company towards Employee's Provident Fund.

**Appointed as Key Managerial Personnel – Chief Financial Officer & Company Secretary of the Company effective November 1, 2020.

VII. Penalties / Punishment/ Compounding of Offences:

There were no penalties, punishment or compounding of offence during the financial year ended March 31, 2021.

For Stelis Biopharma Private Limited

Place: Bangalore
Date: June 4, 2021

Deepak Vaidya
Chairman of the Board &
Non-Executive Director
DIN: 00337276

Arun Kumar
Non-Executive Director
DIN: 00084845

Independent Auditor's Report

To The Members of Stelis Biopharma Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Stelis Biopharma Private Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, 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 specified under section 143(10) of the Act (SAs). 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 Matter	Response to Key Audit Matter
1	**Impairment assessment in respect of carrying value of the assets of the Cash Generating Unit (CGU) (which includes the property, plant and equipment, capital work-in progress, right-of use assets, intangible assets and intangible assets under development) as at March 31, 2021:** As stated in note 4F of the standalone financial statements, the management of the Company has assessed the annual impairment of CGU (which includes property, plant and equipment, capital work-in progress, right-of use asset, intangible assets and intangible assets under development) as at March 31, 2021. The carrying value of the CGU amounts to ₹ 10,149 million as of that date. 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. 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: • 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, • discount rate • probabilities applied to the revenues which also factors management's best estimate of possible delay in product development cycle and regulatory approvals.	**Our principal audit procedures performed, among other procedures included:** • Obtained an understanding of the Management's process for impairment assessment of the carrying value of assets of the CGU. • Evaluated the design and implementation of the relevant controls and carried out testing of the management's control around the impairment assessment. • 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. • Evaluated the key assumptions considered in the management's estimates of future cash flows. • Involved our valuation specialists to evaluate the discount rate used in the calculations. • 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. • 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 discount rate applied to the future cash flows. • 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. • Tested the arithmetical accuracy of the computations. • 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.

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

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

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility 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 Ind AS and other accounting principles generally accepted in India. 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 standalone financial statement 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 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those 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 control 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 system 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 control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

    f. With respect to the adequacy of the internal financial controls over financial reporting 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 over financial reporting

    g. 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 Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.

    h. 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 does not have any pending litigations which would impact its financial position.

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Sathya P. Koushik
Partner
(Membership No. 206920)
UDIN: 21206920AAAAFH1895

Place: Bengaluru
Date: June 4, 2021

Annexure "A" to the Independent Auditor's Report

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Stelis Biopharma Private Limited** ("the Company") as of March 31, 2021 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 based on the internal control over financial reporting 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 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 Company's internal financial controls over financial reporting 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. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sathya P. Koushik
Partner
(Membership No. 206920)
UDIN: 21206920AAAAFH1895

Place: Bengaluru
Date: June 4, 2021

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)

(i) In respect of fixed assets,

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the programme, fixed assets were physically verified by the Management. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) In respect of immovable properties of land and buildings that have been taken on lease and disclosed as right to use assets in the standalone financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have any unclaimed deposits as at March 31, 2021 and therefore, reporting under clause 3(v) of the Order is not applicable.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company.

(vii) According to the information and explanations given to us, in respect of statutory dues:

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

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Goods and Service Tax, Cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2021 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and financial institutions. The Company has not taken any loans or borrowings from government. The Company also has not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of the term loans have been applied by the Company during the year ended March 31, 2021, for the purposes for which they were raised, other than temporary deployment pending application of proceeds. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).

(x) 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 March 31, 2021.

(xi) The Company is a private company and hence the provisions of section 197 of the Companies Act, 2013 do not apply to the Company.

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

(xiii) The Company is a private company and hence the provisions of section 177 is not applicable to the Company. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 of the Companies Act, 2013, 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) According to the information and explanations given to us, the Company has made private placement of shares during the year under review.

In respect of the above issue, we further report that:

a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and

b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.

(xv) In our opinion and according to the information and explanations given to us, during the year ended March 31, 2021, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors to which section 192 of the Companies Act, 2013 applies and accordingly reporting under clause 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Sathya P. Koushik
Partner
(Membership No. 206920)
UDIN: 21206920AAAAFH1895

Place: Bengaluru
Date: June 4, 2021

Standalone Balance Sheet

as at March 31, 2021

₹ in Million

Particulars		Note No.	As at March 31, 2021	As at March 31, 2020
A	**ASSETS**			
I	**Non-current assets**			
	(a) Property, Plant and Equipment	4A	6,011.55	3,368.73
	(b) Right of use assets	4B	286.13	155.69
	(c) Capital work in progress	4C	776.96	2,912.63
	(d) Other intangible assets	4D	28.47	11.51
	(e) Intangible assets under development	4E	3,045.94	2,514.66
	(f) Financial assets			
	(i) Investments	5	531.93	19.30
	(ii) Security deposits	7	39.64	12.49
	(g) Other non-current assets	8	917.35	491.14
	Total non-current assets		**11,637.97**	**9,486.15**
II	**Current assets**			
	(a) Inventories	6	48.94	-
	(b) Financial assets			
	(i) Investments	5	-	-
	(ii) Trade receivables	9	22.42	0.06
	(iii) Cash and cash equivalents	9A	669.24	111.66
	(iv) Bank balances other than (iii) above	9B	104.84	99.44
	(c) Other current assets	8	138.30	35.86
	Total current assets		**983.74**	**247.02**
	Total assets (I+II)		**12,621.71**	**9,733.17**
B	**EQUITY AND LIABILITIES**			
I	**Equity**			
	(a) Equity share capital	10A	15.43	9.45
	(b) Preference share capital	10B	-	0.51
	(c) Other equity	10C	7,770.11	4,178.68
	Total equity		**7,785.54**	**4,188.64**
II	**Liabilities**			
1	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	11	3,093.22	3,592.54
	(b) Lease liabilities	12	96.13	-
	(c) Provisions	13	17.50	13.29
	Total non-current liabilities		**3,206.85**	**3,605.83**
2	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	14	-	300.00
	(ii) Trade payables	15		
	(A) total outstanding dues of micro enterprises and small enterprises		18.52	50.79
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises		407.74	255.82
	(iii) Other financial liabilities	16	1,044.94	1,196.31
	(b) Lease liabilities	12	11.91	-
	(c) Provisions	13	27.16	19.17
	(d) Other current liabilities	17	119.05	116.61
	Total Current liabilities		**1,629.32**	**1,938.70**
	Total Equity and liabilities (I+II)		**12,621.71**	**9,733.17**

See accompanying notes forming part of the standalone financial statements

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

Sathya P. Koushik
Partner
Membership Number: 206920

Place: Bengalure
Date: June 4, 2021

For and on behalf of Board of Directors

Deepak Vaidya
Director
DIN: 00337276

Place: Mumbai
Date: June 4, 2021

Arun Kumar Pillai
Director
DIN: 00084845

Place: Ooty
Date: June 4, 2021

Standalone Statement of Profit and Loss

for the year ended March 31, 2021

₹ in Million

Sl No.	Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
1	Revenue from operations	18	213.90	15.42
2	Other income	19	10.05	7.55
3	**Total income (1+2)**		**223.95**	**22.97**
4	**Expenses**			
	(a) Employee benefits expenses	20	312.23	250.66
	(b) Finance costs	21	158.01	277.69
	(c) Depreciation and amortisation expenses	22	344.04	288.06
	(d) Other expenses	23	622.06	586.35
	Total expenses (4)		**1,436.34**	**1,402.76**
5	**Profit / (Loss) before tax (3-4)**		**(1,212.39)**	**(1,379.79)**
6	Tax expense		-	-
7	**Profit / (Loss) for the year (5-6)**		**(1,212.39)**	**(1,379.79)**
8	**Other Comprehensive Income**			
	Items that will not be reclassified to statement of profit and loss			
	- Remeasurements of post employment benefit obligations- gain / (loss)		1.76	(6.23)
	- Income tax relating to these items		-	-
9	**Total other comprehensive income**		**1.76**	**(6.23)**
10	**Total comprehensive income for the year (7+9)**		**(1,210.63)**	**(1,386.02)**
11	**Earnings per equity share (of ₹ 10/- each)**	28		
	- Basic		(1,006.13)	(1,866.96)
	- Diluted		(1,006.13)	(1,866.96)

See accompanying notes forming part of the standalone financial statements

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

Sathya P. Koushik
Partner
Membership Number: 206920

Place: Bengalure
Date: June 4, 2021

For and on behalf of Board of Directors

Deepak Vaidya
Director
DIN: 00337276

Place: Mumbai
Date: June 4, 2021

Arun Kumar Pillai
Director
DIN: 00084845

Place: Ooty
Date: June 4, 2021

Standalone Cash Flow Statement

for the year ended March 31, 2021

₹ in Million

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
A. Cash flow from operating activities				
Profit / (Loss) for the year		(1,212.39)		(1,379.79)
Adjustments for:				
Depreciation and amortisation (Refer Note 21)	344.04		288.06	
Finance costs (Refer Note 20)	158.01		277.69	
Interest income (Refer Note 18)	(6.07)		(7.55)	
Loss on sale of asset (Refer Note 22)	-		0.23	
Interest receivable written off (Refer Note 22)	-		8.00	
Unrealised exchange (gain)/loss (net)	15.21		220.54	
		511.19		**786.97**
Operating profit / (loss) before working capital changes		(701.20)		(592.82)
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Trade receivable (Refer Note 8)	(22.36)		(0.06)	
Other assets (financial & non-financial)	(367.63)		(96.39)	
Decrease / (increase) in inventories	(48.94)			
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables (Refer Note 14)	56.18		105.78	
Other liabilities (financial & non-financial)	(64.84)		79.00	
		(447.59)		88.33
Net cash used for operating activities		**(1,148.79)**		**(504.49)**
Income taxes paid (net)		(6.78)		
Net cash flow from / (used in) operating activities (A)		**(1,155.57)**		**(504.49)**
B. Cash flow from investing activities				
Capital expenditure on property, plant and equipments including capital advances	(1,591.41)		(1,560.83)	
Proceeds from sale of property, plant and equipment	-		1.39	
Investments in subsidiaries	(512.63)		(19.30)	
Proceeds from sale of investment	-		0.11	
(Increase)/decrease in balance held as margin money	(5.40)		(15.93)	
Interest received	6.07		7.55	
Net cash flow from / (used in) investing activities (B)		**(2,103.37)**		**(1,587.01)**

Standalone Cash Flow Statement

for the year ended March 31, 2021

₹ in Million

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
C. Cash flow from financing activities				
Proceeds from issue of equity shares	4,808.02		864.51	
Proceeds from issue of compulsorily convertible preference shares	-		1,138.79	
Proceeds from share application money pending allotment	0.02		25.00	
Proceeds of short term borrowings	481.50		500.00	
Repayment of short term borrowings	(781.50)		(550.00)	
Proceeds of long-term borrowings	110.00		1,131.70	
Repayment of long-term borrowings	(644.58)		(2,292.36)	
Grant from Biotechnology Industry Research Assistance Council	-		59.55	
Interest paid	(163.72)		(229.79)	
Net cash flow from / (used in) financing activities (C)		**3,809.74**		**647.40**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**557.58**		**(1,444.10)**
Cash and cash equivalents at the beginning of the year		111.66		1,555.76
Cash and cash equivalents at the end of the year		**669.24**		**111.66**
Reconciliation of cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet (Refer Note 9A)		669.24		111.66
Cash and cash equivalents at the end of the year*		**669.24**		**111.66**
*Cash and cash equivalents comprises:				
Cash on hand		0.49		0.60
Balances with banks				
- in current accounts		668.75		111.06
Total		**669.24**		**111.66**

See accompanying notes forming part of the standalone financial statements

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

Sathya P. Koushik
Partner
Membership Number: 206920

Place: Bengalure
Date: June 4, 2021

For and on behalf of Board of Directors

Deepak Vaidya
Director
DIN: 00337276

Place: Mumbai
Date: June 4, 2021

Arun Kumar Pillai
Director
DIN: 00084845

Place: Ooty
Date: June 4, 2021

Standalone Statement of Changes in Equity

for the year ended March 31, 2021

A. Equity Share Capital

₹ in Million

Particulars	Amount
Balance as at April 01, 2019	**6.52**
Changes in equity share capital during the year	
- Issued during the year	2.93
Balance as at March 31, 2020	**9.45**
Changes in equity share capital during the year	
- Issued during the year	5.98
Balance as at March 31, 2021	**15.43**

B. Preference Share Capital

₹ in Million

Particulars	Amount
Balance as at April 01, 2019	**0.91**
Changes in preference share capital during the year	
- Issued during the year	1.38
- Conversion to equity shares during the year	(1.78)
Balance as at March 31, 2020	**0.51**
Changes in preference share capital during the year	
- Issued during the year	-
- Conversion to equity shares during the year	(0.51)
Balance as at March 31, 2021	**-**

C. Other equity

₹ in Million

Particulars	Share application money pending allotment	Reserves and Surplus		Total equity attributable to equity holders of the Company
		Securities premium account	Retained earnings	
Balance as at April 01, 2019	**85.90**	**4,847.53**	**(1,394.50)**	**3,538.93**
Loss for the year	-	-	(1,379.79)	(1,379.79)
Issue of shares pursuant to exercise of share warrants	(85.90)	343.18	-	257.28
Premium received on shares issued during the year	25.00	1,743.49	-	1,768.49
Other Comprehensive Income for the year	-	-	(6.23)	(6.23)
Balance as at March 31, 2020	**25.00**	**6,934.20**	**(2,780.52)**	**4,178.68**
Loss for the year	-	-	(1,212.39)	(1,212.39)
Issue of shares pursuant to exercise of share warrants	(25.00)	-	-	(25.00)
Share application money received on issue of share warrants	0.02	-	-	0.02
Premium received on shares issued during the year	-	4,827.04	-	4,827.04
Other Comprehensive Income for the year	-	-	1.76	1.76
Balance as at March 31, 2021	**0.02**	**11,761.24**	**(3,991.15)**	**7,770.11**

See accompanying notes forming part of the standalone financial statements

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

Sathya P. Koushik
Partner
Membership Number: 206920

Place: Bengalure
Date: June 4, 2021

For and on behalf of Board of Directors

Deepak Vaidya
Director
DIN: 00337276

Place: Mumbai
Date: June 4, 2021

Arun Kumar Pillai
Director
DIN: 00084845

Place: Ooty
Date: June 4, 2021

Notes

forming part of the standalone financial statements

Note No. 1 General information

Stelis Biopharma Private Limited (the 'Company' or 'Stelis') was incorporated in the state of Karnataka on June 12, 2007 with the object of providing biotechnology process development services for healthcare industries.

The standalone financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issue on June 4, 2021.

These financial statements comprise the Standalone Balance sheet of the Company, Standalone Statement of Profit and Loss (including Other Comprehensive Income) and Standalone Cash flow statement, Standalone statement of changes in equity and significant accounting policies and other explanatory information (together the "standalone financial statements").

Note No. 2 Significant accounting policies

2.1 Statement of Compliance

These standalone financial statements have been prepared to comply in all material aspects with the 'Indian Accounting Standards' ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") read with Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter, as applicable to the Company, and other relevant provisions of the Act.

2.2 Basis of preparation and presentation

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 period, 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.

The Company has incurred losses during the period ended March 31, 2021 and as of that date, the company's net current liabilities exceed its net current assets by ₹ 645.59 million. In addition to meeting its obligations, the Company also requires substantial amount of additional funds to continue its product development activities and day to day operations and completion of capital projects in progress.

Based on the various committed funding in place and based on the status of the product development and capital work-in progress, the Management is confident that sufficient funds will be forthcoming and accordingly has prepared these financial statements on a going concern basis.

Subsequent to the year end, the Company has received an amount or ₹ 4,380 million as capital infusion from the new investors.

The principal accounting policies are set out below.

2.3 Revenue recognition

2.3.1 Sale of Services

Revenue from development services is recognised on achievement of a development milestone and when it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Revenue from fixed-price, fixed time frame contracts, where the performance obligations are satisfied overtime is recognized on a straight-line basis over the specified period unless some other method better represents the stage of completion, provided there is no uncertainty as to measurement or collectability of the consideration.

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).

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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 financial statements are presented in Indian rupees, which is the functional currency of Stelis Biopharma Private Limited. 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 period, 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 period 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. Contracts in which all the risks and rewards of the lease are substantially transferred to the lessee are classified as a finance lease. All other leases are classified as operating leases.

Leases, for which the Company is an intermediate lessor, it accounts for the head-lease and sub-lease as two separate contracts. The sub-lease is classified as a finance lease or an operating lease by reference to the RoU asset arising from the head-lease.

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.

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.

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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 period 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.

Interest 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 period 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 period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period 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 benefit 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 annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period 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 in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period 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'. Curtailment gains and losses are accounted for as past service costs.

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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 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 period 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 period 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.

2.9 Taxation

The income tax expense or credit for the year is the tax payable on the current period'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 period.

2.9.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the 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 period 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 period 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 period.

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 period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include 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

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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 for the year

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

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 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 period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Individual assets costing less than ₹ 5,000 are depreciated in full in the year of purchase.

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

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 period, 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 period 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;

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- 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 period 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

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 and, where applicable, excise duty. Cost is determined as follows:

Raw materials, packing materials and consumables	Weighted avearge basis
Stock in trade	Weighted avearge basis

2.13 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 period, 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 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.

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2.14 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.

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 collaterized borrowing for the proceeds recieved. Financial liabilities are derecognised when these are extingushed , 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.

2.15 Impairment of assets

Impairment of non-financial assets

At the end of each reporting period, 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.

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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.

2.16 Goods and Service Tax Input credit
Goods and Service tax input credit is accounted for in the books in the period 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 periods 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.

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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 financial statements and the reported amounts of income and expenses during the reported period. 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 period 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
The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods.

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 pre-tax future cash flows attributable to the assets and a pre-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 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.

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 26.

Estimation uncertainties relating to the global health pandemic from Corona Virus (COVID-19):
The COVID-19 pandemic is rapidly spreading throughout the world. The Company has evaluated impact of this pandemic on the financial statements based on its review of current indicators of future economic conditions. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes to future economic conditions, the effect of which will be given in the respective future period.

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Note No. 4A Property, Plant and Equipment

₹ in Million

Particulars	Gross block				Accumulated depreciation				Net block	
	As at April 01, 2020	Additions	Disposals	As at March 31, 2021	As at April 01, 2020	Depreciation expense for the year	Eliminated on disposal of assets	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Buildings	678.74	488.06	-	1,166.80	66.00	39.93	-	105.93	1,060.87	612.74
	(676.98)	(1.76)	-	(678.74)	(34.42)	(31.58)	-	(66.00)	(612.74)	(642.56)
Plant and Machinery	3,047.63	2,420.98	-	5,468.61	394.44	265.05	-	659.49	4,809.12	2,653.19
	(2,936.38)	(111.25)	-	(3,047.63)	(169.98)	(224.46)	-	(394.44)	(2,653.19)	(2,766.40)
Office equipments	69.29	13.00	-	82.29	17.86	14.32	-	32.18	50.11	51.43
	(69.06)	(0.23)	-	(69.29)	(4.47)	(13.39)	-	(17.86)	(51.43)	(64.59)
Computers	58.04	17.40	-	75.44	19.92	14.07	-	33.99	41.45	38.12
	(49.94)	(8.10)	-	(58.04)	(7.42)	(12.50)	-	(19.92)	(38.12)	(42.52)
Furniture and fixtures	15.60	40.71	-	56.31	4.06	3.75	-	7.81	48.50	11.54
	(15.26)	(0.34)	-	(15.60)	(2.45)	(1.61)	-	(4.06)	(11.54)	(12.81)
Vehicles	1.72	-	-	1.72	0.01	0.21	-	0.22	1.50	1.71
	(3.83)	(1.72)	(3.83)	(1.72)	(1.87)	(0.35)	(2.21)	(0.01)	(1.71)	(1.96)
Total	**3,871.02**	**2,980.15**	**-**	**6,851.17**	**502.29**	**337.33**	**-**	**839.62**	**6,011.55**	**3,368.73**
Previous year	(3,751.45)	(123.40)	(3.83)	(3,871.02)	**(220.61)**	**(283.89)**	**(2.21)**	**(502.29)**	**(3,368.73)**	**(3,530.84)**

Notes:-

(i) Figures in bracket relates to previous year

(ii) Refer note 11 for properties pledged as security towards borrowings

Note No. 4B Right of Use Assets

₹ in Million

Particulars	Gross block				Accumulated depreciation				Net block	
	As at April 01, 2020	Additions	Disposals	As at March 31, 2021	As at April 01, 2020	Depreciation expense for the year	Eliminated on disposal of assets	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Land	157.35	-	-	157.35	1.66	3.16	-	4.82	152.53	155.69
Building	-	132.89	-	132.89	-	2.86	-	2.86	130.03	-
Plant and Machinery	-	4.31	-	4.31	-	0.74	-	0.74	3.57	-
Total	**157.35**	**137.20**	**-**	**294.55**	**1.66**	**6.76**	**-**	**8.42**	**286.13**	**155.69**

Note No. 4C Capital Work in Progress

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	2,912.63	1,737.84
Add: Additions during the year	844.48	1,301.17
Less: Capitalised during the year	(2,980.15)	(126.38)
Closing Balance	**776.96**	**2,912.63**

Notes
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Note No. 4D Other Intangible Assets

₹ in Million

Particulars	Gross block				Accumulated depreciation				Net block	
	As at April 01, 2020	Additions	Disposals	As at March 31, 2021	As at April 01, 2020	Depreciation expense for the year	Eliminated on disposal of assets	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Software licences	17.97	21.23	-	39.20	6.46	4.27	-	10.73	28.47	11.51
	(14.99)	(2.98)	-	(17.97)	(3.45)	(3.01)	-	(6.46)	(11.51)	(11.54)
Total	**17.97**	**21.23**	**-**	**39.20**	**6.46**	**4.27**	**-**	**10.73**	**28.47**	**11.51**
Previous year	(14.99)	(2.98)	-	(17.97)	**(3.45)**	**(3.01)**	**-**	**(6.46)**	**(11.51)**	**(11.54)**

Note No. 4E Capital Work in Progress

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2021
Intangible assets under development	3,045.94	2,514.66
Total	**3,045.94**	**2,514.66**

Note No. 4F Annual Impairment assessment:

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 property, plant and equipment, capital work-in progress, right-of use asset, intangible asset and intangible assets under development) as at March 31, 2021. 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 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.

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 3.54%
- Increase in discount rate by 3.10% and nil terminal growth rate

Notes

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Note No. 5 Investments

₹ in Million

Particulars	As at March 31, 2021			As at March 31, 2021		
	Qty	Amount		Qty	Amount	
		Current	Non-Current		Current	Non-Current
A. Investments in subsidiaries (carried at cost)						
Equity shares, unquoted						
Stelis Pte Ltd, Singapore	4590001	-	516.59	255001	-	19.30
Stelis Biopharma LLC, US	-	-	15.34	-	-	-
Total	**4590001**	**-**	**531.93**	**255001**	**-**	**19.30**
Aggregate amount of quoted investments	-	-	-	-	-	-
Aggregate amount of market value of investments	-	-	-	-	-	-
Aggregate amount of unquoted investments	4590001	-	531.93	255001	-	19.30

Note No. 6 Inventories

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2021
Consumables	48.94	-
Total	**48.94**	**-**

Note No. 7 Security deposits

₹ in Million

Particulars	As at March 31, 2021		As at March 31, 2021	
	Current	Non-Current	Current	Non-Current
Unsecured, considered good:				
- Security deposits	-	39.64	-	12.49
Total	**-**	**39.64**	**-**	**12.49**

Note No. 8 Other assets

₹ in Million

Particulars	As at March 31, 2021		As at March 31, 2021	
	Current	Non-Current	Current	Non-Current
Unsecured, considered good:				
- Capital advances	-	348.70	-	30.09
- Balances with government authorities				
- VAT/CST refund receivable	-	12.74	-	12.74
- GST credit & other receivable	-	544.35	-	443.53
- TDS receivable	-	11.56	-	4.78
- Advances to vendors	133.21	-	32.54	-
- Advances to related parties (Refer Note 28)	-	-	1.28	-
- Advances to employees	2.78	-	1.17	-
- Prepaid expenses	2.31	-	0.87	-
Total	**138.30**	**917.35**	**35.86**	**491.14**

Notes

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Note No. 9 Trade receivables

₹ in Million

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non-Current	Current	Non-Current
Unsecured, considered good:				
Trade receivables from related parties	22.25	-	-	-
Others	0.17	-	0.06	-
Total	**22.42**	**-**	**0.06**	**-**

Note No. 9A Cash and cash equivalents

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	0.49	0.60
Balances with banks		
- in current accounts	668.75	111.06
Total	**669.24**	**111.66**

Note No. 9B Other balances with banks

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Balance held as margin money:		
- against borrowings facilities with banks	104.84	99.44
Total	**104.84**	**99.44**

Note No. 10A Equity Share Capital

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
35,500,000 Equity shares of ₹ 10/- each with voting rights	35.50	35.50
(35,500,000 Equity shares of ₹ 10/- each with voting rights as on March 31, 2020)		
	35.50	**35.50**
Issued, subscribed and fully paid up		
1,543,309 Equity shares of ₹ 10/- each with voting rights	15.43	9.45
(945,011 Equity shares of ₹ 10/- each with voting rights as on March 31,2020)		
Total	**15.43**	**9.45**

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

Particulars	Opening Balance	Issue of shares during the year	Closing Balance
Equity shares of ₹ 10/- each with voting rights			
Year Ended 31 March 2021			
No. of Shares	945,011	598,298	1,543,309
Amount ₹ in Million	9.45	5.98	15.43
Year Ended 31 March 2020			
No. of Shares	652,308	292,703	945,011
Amount ₹ in Million	6.52	2.93	9.45

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The Company has only once class of equity shares having a par value of ₹ 10/- each. The holder of equity shares is entitled to one vote per share.

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

Particulars	As at March 31, 2021		As at Mar 31, 2020	
	Number of shares	%	Number of shares	%
Strides Pharma Science Limited	739,288	47.90%	451,822	47.81%
GMS Pharma (Singapore) Pte Limited	116,946	7.58%	243,807	25.80%
Tenshi Life Sciences Pvt Ltd	266,760	17.28%	249,382	26.39%
Medella Holdings Pte Ltd	345,746	22.40%	-	0.00%

Note No. 10B Preference Share Capital

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
134,334 Series A CCPS of ₹ 10/- each	1.34	1.34
(134,334 Series A CCPS of ₹ 10/- each as on March 31, 2020)		
179,112 Series B CCPS of ₹ 10/- each	1.79	1.79
(179,112 Series B CCPS of ₹ 10/- each as on March 31, 2020)		
	3.13	**3.13**
Issued, subscribed and fully paid up		
Nil as on March 31, 2021 (50,901 Series B CCPS of ₹ 10/- each as on March 31, 2020)	-	0.51
Total	**-**	**0.51**

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

Particulars	Opening Balance	Issue of shares during the year	Conversion to equity shares during the year	Closing Balance
Preference Shares				
Year Ended 31 March 2021				
Series B CCPS				
No. of Shares	50,901	-	(50,901)	-
Amount ₹ in Million	0.51	-	(0.51)	-
Year Ended 31 March 2020				
Series A CCPS				
No. of Shares	90,766	36,306	(127,072)	-
Amount ₹ in Million	0.91	0.36	(1.27)	-
Year Ended 31 March 2020				
No. of Shares	-	101,727	(50,826)	50,901
Amount ₹ in Million	-	1.02	(0.51)	0.51

(ii) Details of preference shares held by each shareholder holding more than 5% shares:

₹ in Million

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	%	Number of shares	%
Strides Pharma Science Limited	-	0.00%	-	0.00%
GMS Pharma (Singapore) Pte Limited	-	0.00%	33,523	65.86%
Tenshi Life Sciences Pvt Ltd	-	0.00%	17,378	34.14%

Notes

forming part of the standalone financial statements

Note No. 10C Other equity

₹ in Million

Particulars	Note no.	As at March 31, 2021	As at March 31, 2020
Securities premium account	10C (i)	11,761.24	6,934.20
Retained earnings	10C (ii)	(3,991.15)	(2,780.52)
Share application money pending allotment	10C (iii)	**0.02**	**25.00**
Total		**7,770.11**	**4,178.68**

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
(A) Reserves and surplus		
(i) Security premium account		
Amounts received on issue of shares in excess of the par value has been classified as securities premium.		
Opening balance	6,934.20	4,847.53
Add: Premium on equity shares issued during the year	4,827.04	947.48
Add: Premium on compulsorily convertible preference shares issued during the year	-	1,139.19
Closing balance	**11,761.24**	**6,934.20**
(ii) Retained earnings		
Retained earnings comprises of the amounts that can be distributed by the Company as dividends to its equity share holders.		
Opening balance	(2,780.52)	(1,394.50)
Add: Profit/(Loss) for the year	(1,212.39)	(1,379.79)
Add: Remeasurements of post-employment benefit obligation (net of tax)	1.76	(6.23)
Closing balance	**(3,991.15)**	**(2,780.52)**
(iii) Share application money pending allotment		
Share application money pending allotment account represents the share allotment monies received by the company but pending allotment as on the reporting date.		
Opening balance	25.00	85.90
Add: Addition during the year	0.02	25.00
Less: Shares allotted during the year	(25.00)	(85.90)
Closing balance	**0.02**	**25.00**
Total	**7,770.11**	**4,178.68**

Note No. 11 Non-current borrowings

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Secured borrowings:		
- Term loans from banks (Refer note 1 below)	3,093.22	3,592.54
Total	**3,093.22**	**3,592.54**

Notes

forming part of the standalone financial statements

Note 1

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

₹ in Million

Terms of repayment and security - Term Loan 1 (USD) (Refer note 2 below)	As at March 31, 2021	As at March 31, 2020
Non-current borrowings	1,586.64	2,003.67
Current maturities of non-current borrowings	483.28	496.34
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 Ltd. Rate of interest: 3 month LIBOR + 3.65% Repayment to be made over 28 equal quarterly instalments. The outstanding term as at March 31, 2021 are 18 installments. (March 31, 2020 20 installments) The loan is supported by corporate guarantee of Strides Pharma Science Limited.		

₹ in Million

Terms of repayment and security - Term Loan 2 (INR)	As at March 31, 2021	As at March 31, 2020
Non-current borrowings	414.15	448.63
Current maturities of non-current borrowings	108.98	103.97
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 Ltd. Rate of interest: I Base rate + spread Repayment to be made over 28 equal quarterly instalments. The outstanding term as at March 31, 2021 are 19 instalments. (March 31, 2020 21 installments) The loan is supported by corporate guarantee of Strides Pharma Science Limited.		

₹ in Million

Terms of repayment and security - Term Loan 3 (INR)	As at March 31, 2021	As at March 31, 2020
Non-current borrowings	-	-
Current maturities of non-current borrowings	-	249.15
Security: Unconditional and irrevocable personal guarantee of Promoter of Strides Pharma Science Limited Rate of interest: 10.50% linked to 3M MCLR Repayment to be made over 18 equal monthly instalments. The outstanding term as at March 31, 2021 are Nil. (March 31, 2020 9 installments)		

₹ in Million

Terms of repayment and security - Term Loan 4 (INR)	As at March 31, 2021	As at March 31, 2020
Non-current borrowings	984.72	1,140.24
Current maturities of non-current borrowings	171.39	-
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 Repayment to be made over 20 equal quarterly instalments starting from July-21. The loan is supported by corporate guarantee of Strides Pharma Science Limited.		

Notes

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₹ in Million

Terms of repayment and security - Term Loan 5 (INR)	As at March 31, 2021	As at March 31, 2020
Non-current borrowings	107.71	-
Current maturities of non-current borrowings	2.29	-
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% Repayment to be made over 48 equal quarterly instalments starting from March 22.		

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Disclosed under non-current borrowings	3,093.22	3,592.54
Disclosed under other current financial liabilities		
- Current maturities of non-current borrowings	765.94	849.46

Note No. 12 Lease liabilities

₹ in Million

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non-Current	Current	Non-Current
Provision for employee benefits:				
- Lease liabilities	11.91	96.13	-	-
Total	**11.91**	**96.13**	**-**	**-**

Note No. 13 Provisions

₹ in Million

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non-Current	Current	Non-Current
Provision for employee benefits:				
- Gratuity (Refer note 25)	0.92	17.50	0.84	13.29
- Compensated absences	26.24	-	18.33	-
Total	**27.16**	**17.50**	**19.17**	**13.29**

Note No. 14 Current borrowings

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured borrowings:		
- Loans from related parties (Refer Note 28)	-	300.00
Total	**-**	**300.00**

Note No. 15 Trade payables

₹ in Million

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non-Current	Current	Non-Current
- Total outstanding dues of micro enterprises and small enterprises	18.52	-	50.79	-
- Total outstanding dues of creditors other than micro and small enterprises	407.74	-	255.82	-
Total	**426.26**	**-**	**306.61**	**-**

Notes

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

₹ in Million

Particulars		As at March 31, 2021	As at March 31, 2021
(i)	Principal amount remaining unpaid to any suppliers as at the end of the accounting year	18.08	47.33
(ii)	Interest due thereon remaining unpaid to any suppliers as at the end of the accounting year	0.44	3.46
(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	-	-
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	3.90	3.46
(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	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

Note No. 16 Other financial liabilities

₹ in Million

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non-Current	Current	Non-Current
- Current maturities of non-current borrowings (Refer note 11)	765.94	-	849.46	-
- Interest accrued but not due on borrowings	42.19	-	47.90	-
- Creditors for capital supplies/services	155.96	-	137.37	-
- Payable to related parties (Refer Note 28)	80.85	-	161.58	-
Total	**1,044.94**	**-**	**1,196.31**	**-**

Note No. 17 Other liabilities

₹ in Million

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non-Current	Current	Non-Current
- Advance from customers	45.16	-	40.59	-
- Statutory dues	14.34	-	16.47	-
- Grant from Biotechnology Industry Research Assistance Council	59.55	-	59.55	-
Total	**119.05**	**-**	**116.61**	**-**

Note No. 18 Revenue from operations

₹ in Million

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Service income	213.17	15.30
Other operating revenues	0.73	0.12
Total	**213.90**	**15.42**

Note No. 19 Other income

₹ in Million

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Interest income on financial assets at amortised cost	6.07	7.55
Advance Written back	3.98	-
Total	**10.05**	**7.55**

Notes

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Note No. 20 Employee benefit expense

₹ in Million

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Salaries and wages	267.51	219.47
Contributions to provident and other funds	17.64	12.05
Staff welfare expenses	27.08	19.14
Total	**312.23**	**250.66**

Note No. 21 Finance cost

₹ in Million

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Interest expense on borrowings (including exchange differences regarded as an adjustment to borrowing costs)	304.65	495.32
Less: Amounts included in the cost of qualifying assets	(180.62)	(239.30)
Interest expense on loan from group company	11.78	14.96
Interest on lease liability	0.33	-
Other borrowing cost	21.87	6.71
Total	**158.01**	**277.69**

Note No. 22 Depreciation and amortisation expenses

₹ in Million

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Depreciation on Property, plant and equipment (Refer Note 4A)	337.33	283.89
Depreciation on Right to use assets (Refer Note 4B)	2.44	1.16
Amortisation on Intangible assets (Refer Note 4D)	4.27	3.01
Total	**344.04**	**288.06**

Note No. 23 Other Expenses

₹ in Million

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Power & Fuel	83.69	51.53
Rates and taxes	8.78	1.33
Insurance	7.36	2.24
Repairs and maintenance:		
- Machinery	30.20	46.18
- Others	41.43	40.57
Manpower service	14.91	12.13
Housekeeping service	20.50	11.29
Freight and forwarding	2.32	2.35
Business promotion	0.07	12.02
Travelling and conveyance	2.56	9.06
Exchange fluctuation loss (net)	15.21	135.98
Printing and stationery	5.89	3.51
Communication	18.94	18.51
Security Charges	6.24	6.45
Office expense	3.47	2.29
Loss on sale of asset (net)	-	0.23
Boarding and lodging	1.22	1.95

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₹ in Million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Consumables	205.19	106.08
Support service charges	91.87	31.59
Legal and professional fees	50.38	57.81
Auditors remuneration (refer note (i) below)	3.35	3.31
Research and development	4.64	21.54
Interest receivable written off	-	8.00
Miscellaneous expenses	3.84	0.40
Total	**622.06**	**586.35**

Note

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

₹ in Million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Audit of standalone and consolidated financial statements	2.50	2.50
Other services - Group reporting	0.75	0.75
Reimbursement of expenses	0.10	0.06
Total	**3.35**	**3.31**

Note No. 24 Details of Research and Development expenditure incurred

₹ in Million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Research & development expenses including capital expenditure:		
Material and third party outsourcing cost	267.17	321.05
Labour	151.00	111.54
Overheads	117.78	136.83
Total	**535.95**	**569.42**

Out of the above mentioned expenditure, ₹ 535.95 Million (Previous year: ₹ 547.88 Million) has been capitalised under intangibles under development. The expenditure detailed above have been incurred for DSIR recognized R&D unit in Bangalore.

During the year ended March 31, 2021, the Company tested intangible assets under development for impairment. Pursuant to such assessment, the Company has written-off such assets of ₹ 4.64 Million (Previous year: INR 21.54 Million).

The amount quantified as research and development expenditure (both capital and revenue) is as certified by the management of the Company and relied upon by the auditors.

Note No. 25 Commitments (To the extent not provided for)

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances):		
- Property, Plant and equipment	455.26	199.86
Total	**455.26**	**199.86**

Notes

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Note No. 26 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. The company recognised ₹ 12.93 Million (previous year: ₹ 11.85 Million) for provident fund contributions, ₹ 0.01 Million (previous year: 0.02) for employee state insurance scheme 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, 2021	Valuation as at March 31, 2020
Discount rate(s)	6.37%	6.40%
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, 2021	As at March 31, 2020
Service cost:		
Current service cost	5.81	2.74
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	0.88	0.65
Components of defined benefit costs recognised in statement of profit and loss	**6.69**	**3.39**
Remeasurement on the net defined benefit liability:		
Return on plan assets [excluding amounts included in net interest expense] (excess) / Short return	-	-
Actuarial (gains) / losses arising from changes in demographic assumptions	-	1.53
Actuarial (gains) / losses arising from changes in financial assumptions	0.04	0.56
Actuarial (gains) / losses arising from experience adjustments	(1.80)	4.14
Components of defined benefit costs recognised in other comprehensive income	**(1.76)**	**6.23**
Total	**4.93**	**9.62**

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 remeasurernent of the net defined benefit liability is included in other comprehensive income.

Notes

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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, 2021	As at March 31, 2020
Present value of funded defined benefit obligation	18.42	14.13
Fair value of plan assets	-	-
Funded status	18.42	14.13
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	**18.42**	**14.13**

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

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Opening defined benefit obligation	14.13	9.87
Add: Acquisition / (disposal)	-	(0.23)
Expenses Recognised in statement of profit and loss		
Current service cost	5.81	2.74
Past service cost and (gain)/loss from settlements	-	-
Interest cost	0.88	0.65
Remeasurement (gains)/losses		
Actuarial (gains) / losses arising from changes in demographic assumptions	-	1.53
Actuarial (gains) / losses arising from changes in financial assumptions	0.04	0.56
Actuarial (gains) / losses arising from experience adjustments	(1.80)	4.14
Benefits paid	(0.64)	(5.13)
Net liability arising from defined benefit obligation	**18.42**	**14.13**

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.

If the discount rate increases (decrease) by 1%, the defined benefit obligation would be ₹ 19.81 Million (₹ 15.16 Million) as at March 31, 2021

If the expected salary growth increases (decrease) by 1%, the defined benefit obligation would be ₹ 17.18 Million (₹ 13.21 Million) as at March 31, 2021

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.

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Expected future Cash outflows towards the plan are as follows:

₹ in Million

Financial Year	Amount
Year 1	0.92
Year 2	1.22
Year 3	1.81
Year 4	2.25
Year 5	2.56
Years 6 to 10	9.93

Note No. 27 Leases

Company as a lessee : The Company has entered into lease arrangements for land and office buildings.

Effective April 1, 2019, the Company adopted new standard Ind AS 116 "Leases", which replaced the earlier standard on Leases Ind AS 17. The Company applied the new standard Ind AS 116 to all lease contracts existing on April 1, 2019, the date of transition, using the modified retrospective method on the date of initial application with no impact on retained earnings. On transition, the adoption of the new standard resulted in recognition of 'Right-of-Use' asset of ₹ 157.35 millon and de-recognition of prepaid expenses of ₹ 157.35 million as at April 1, 2019.

Refer Note 2.6 for the accounting policies in respect of Ind AS 116.

Right-of-use assets:

Particulars	Lease hold land	Office space	Plant & Machinary	Total
Opening balance as on 01 April 2019	**157.35**	**-**	**-**	**157.35**
Additions	-	-	-	-
Depreciation	(1.66)	-	-	(1.66)
Deletions	-	-	-	-
Closing balance as on 31 March 2020	**155.69**	**-**	**-**	**155.69**
Additions	-	132.89	4.31	137.20
Depreciation	(3.16)	(2.86)	(0.74)	(6.76)
Deletions	-	-	-	-
Closing balance as on 31 March 2021	**152.53**	**130.03**	**3.57**	**286.13**

Lease liabilities

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	-	-
Additions	107.71	-
Interest	0.33	-
Lease payments	-	-
Closing balance	**108.04**	**-**
Current	11.91	-
Non-current	96.13	-

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₹ in Million

Particulars	As at March 31, 2021			As at March 31, 2020		
	1 year	1 to 5 years	More than 5 years	1 year	1 to 5 years	More than 5 years
Factory Building	11.91	91.48	-	-	-	-
Plant and Machinery	-	4.65	-	-	-	-

Note

The entity has entered into an lease agreement with KIADB for a period of 99 years commencing from August 19, 2015 for an area measuring 40,473 sq. metres at Dodaballapur which was earlier classified under prepaid lease rentals. On transition to Ind AS 116, the same has been reclassified as ROU asset. The entire amount being paid in advance.

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. 28 Earnings per Share

₹ in Million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit / (Loss) after tax attributable to equity holders of the Company (A) (₹ in Million)	(1,212.39)	(1,379.79)
Weighted average number of equity shares used as denominator in calculating basic earnings per share (B)	1,205,008	739,056
Adjustments for calculation of diluted earning per share*:		
- share warrants	-	-
- compulsory convertible preference shares	-	-
Weighted average number of equity shares used as denominator in calculating diluted earnings per share (C)	1,205,008	739,056
Basic earnings per share (₹) (A/B)	(1,006.13)	(1,866.96)
Diluted earnings per share (₹) (A/C)	(1,006.13)	(1,866.96)

* Effect of share warrants and ccps are not dilutive and hence not considered for the purpose of calculation of Diluted EPS.

Note No. 29 Related Party Transaction:

Nature of Relationship	Name of Related Party
Entity exercising significant influence	Strides Pharma Science Ltd
	Tenshi Life Sciences Pvt Ltd
	GMS Pharma (Singapore) Pte Ltd, (untill 26-03-2021)
	Medella Holdings Pte Ltd (w.e.f 26-03-2021)
	Stelis Pte Ltd
Subsidiary	Stelis Biopharma LLC
	Arcolab Pvt Ltd
Other related parties	Steriscience Pvt Ltd (formerly known as Sovizen Life Sciences Pvt Ltd)
	Tenshi Kaizen Pvt Ltd
	GMS Tenshi Holdings Pte Ltd
	Steriscience Specialities Pvt Ltd
	Biolexis Holding Pte
	Steriscience Pte Limited
	Skanray Healthcare Pvt Ltd
	Karuna Healthcare Pvt Ltd
	Strides Pharma Global Pte Ltd
	GMS Pharma (Singapore) Pte Ltd, (w.e.f 26-03-2021)

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Nature of Relationship	Name of Related Party
Key Management Personnel – Executive Director	Mr. S Raghavendra Rao (w.e.f 01-11-2020)
Key Management Personnel – Director	Mr. Ghiath Munir Reda Sukhtian (until 26-03-2021)
Key Management Personnel – Director	Mr. Faisal Ghiath Munir Sukhtian (until 26-03-2021)
Key Management Personnel – Director	Mr. Deepak Vaidya
Key Management Personnel – Director	Mr. Thampi P M (untill 07-04-2021)
Key Management Personnel – Director	Mr. P R Kannan (untill 07-04-2021)
Key Management Personnel – Director	Mr. Venkat Iyer (untill 07-04-2021)
Key Management Personnel – Director	Mr. Aditya Puri (w.e.f 07-01-2021)
Key Management Personnel – Director	Mr. Arun Kumar Pillai (w.e.f 07-04-2021)
Key Management Personnel – Director	Mr. Ankur Nand Thadani (w.e.f 26-03-2021)
Key Management Personnel – Director	Mr. Mahadevan Narayanamoni (w.e.f 25-03-2021)
Key Management Personnel – CEO	Mr Joe Thomas (until 31-01-2020)
Key Management Personnel – CEO	Mr Roger Lias (w.e.f 01-02-2020 and until 31-03-2021)

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

Nature of Transactions	Entities having significant influence over Company		Other related parties		Subsidiary		Subsidiary	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations								
Steriscience Pte Limited	21.86	-	-	-	-	-	-	-
Steriscience Specialties Pvt Ltd	0.20	-	-	-	-	-	-	-
Guarantee Commission considered as borrowing cost								
Strides Pharma Science Ltd	42.13	39.77	-	-	-	-	-	-
Support Service charges								
Tenshi Life Sciences Pvt Ltd	12.37	11.48	-	-	-	-	-	-
Arcolab Pvt Ltd	-	-	19.40	20.11	-	-	-	-
Stelis Biopharma LLC	-	-	-	-	58.89	-	-	-
Strides Pharma Science Limited	1.58	-	-	-	-	-	-	-
Purchases of Services								
GMS Pharma (Singapore) Pte Ltd	-	1.70	-	-	-	-	-	-
Tenshi Life Sciences Pvt Ltd	7.57	10.41	-	-	-	-	-	-
Arcolab Pvt Ltd	-	-	4.06	7.19	-	-	-	-
Strides Pharma Science Ltd	0.62	27.91	-	-	-	-	-	-
Strides Pharma Global Pte Ltd	-	-	-	0.21	-	-	-	-
Professional charges								
Stelis Pte Ltd	-	-	-	-	-	0.39	-	-
Advance given / (repaid)								
Skanray Healthcare private limited	-	-	-	11.00	-	-	-	-
Skanray Healthcare private limited	-	-	(1.00)	(10.00)	-	-	-	-
Steriscience Specialties Pvt Ltd	-	-	432.28		-	-	-	-
Steriscience Specialties Pvt Ltd	-	-	(420.00)		-	-	-	-
Tenshi Kaizen Private Limited	-	-	(0.28)		-	-	-	-
Loans taken/(repaid)								
Strides Pharma Science Ltd	-	(250.00)	-	-	-	-	-	-
Sovizen Life Sciences Pvt Ltd	-	-	-	(100.00)	-	-	-	-
Skanray Healthcare private limited	-	-	-	-	-	-	-	-
Tenshi Life Sciences Pvt Ltd	100.00	500.00	-	-	-	-	-	-
Tenshi Life Sciences Pvt Ltd	(400.00)	(200.00)	-	-	-	-	-	-

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Nature of Transactions	Entities having significant influence over Company		Other related parties		Subsidiary		Subsidiary	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Karuna Healthcare Pvt Ltd	-	-	381.50	-	-	-	-	-
Karuna Healthcare Pvt Ltd	-	-	(381.50)	-	-	-	-	-
Management Cross Charge								
Tenshi Kaizen Pvt Ltd				15.00			-	-
Interest expense on loan taken/(repaid)								
Sovizen Life Sciences Pvt Ltd	-	-	-	0.05			-	-
Tenshi Life Sciences Pvt Ltd	3.29	7.88	-	-	-	-	-	-
Tenshi Life Sciences Pvt Ltd	(16.47)	-	-	-	-	-	-	-
Karuna Healthcare Pvt Ltd	-	-	1.76	-	-	-	-	-
Karuna Healthcare Pvt Ltd	-	-	(1.76)	-	-	-	-	-
Equity/Preference shares contribution to the Company (including securities premium)								
Strides Pharma Science Ltd	2,394.96	905.04	-	-	-	-	-	-
Tenshi Life Sciences Pvt Ltd	0.17	525.38	-	-	-	-	-	-
GMS Pharma (Singapore) Pte Ltd	612.80	658.78	-	-	-	-	-	-
Medella Holdings Pte Ltd	1,095.05	-	-	-	-	-	-	-
Reimbursement of expenses								
Strides Pharma Science Ltd	2.10	25.96	-	-	-	-	-	-
Tenshi Life Sciences Pvt Ltd	17.04	15.96	-	-	-	-	-	-
Arcolab Pvt Ltd	-	-	4.67	8.80	-	-	-	-
Recovery of expenses								
Strides Pharma Science Ltd	193.67	50.09	-	-	-	-	-	-
Arcolab Pvt Ltd	-	-	41.37	-	-	-	-	-
Stelis Biopharma LLC	-	-	-	-	34.16	-	-	-
Investments In Subsidiaries								
Stelis Pte Ltd	-	-	-	-	498.51	19.30	-	-
Stelis Biopharma LLC	-	-	-	-	15.34	-	-	-
Purchase of property, plant and equipment								
Tenshi Kaizen Pvt Ltd	-	-	-	1.44	-	-	-	-
Strides Pharma Science Limited	2.93	-	-	-	-	-	-	-
Sale of Assets:								
Joe Thomas	-	-	-	-	-	-	-	1.39
Employee cost:								
Joe Thomas	-	-	-	-	-	-	-	12.43
Sitting fees paid to directors								
Deepak Vaidya	-	-	-	-	-	-	1.30	1.15
P. M Thampi	-	-	-	-	-	-	1.30	0.90
Aditya Puri	-	-	-	-	-	-	0.20	-
Other Payables								
Strides Pharma Science Ltd	-	135.39	-	-	-	-	-	-
Tenshi Life Sciences Pvt Ltd	43.64	12.34	-	-	-	-	-	-
Arcolab Pvt Ltd	-	-	-	14.53	-	-	-	-
Strides Pharma Global Pte Ltd	-	-	-	0.21	-	-	-	-
Sovizen Life Sciences Pvt Ltd	-	-	-	0.05	-	-	-	-
Stelis Pte Limited	-	-	-	-	-	0.39	-	-
Stelis Biopharma LLC	-	-	-	-	25.12	-	-	-
Steriscience Specialties Pvt Ltd	-	-	12.09	-	-	-	-	-

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Nature of Transactions	Entities having significant influence over Company		Other related parties		Subsidiary		Subsidiary	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Investments								
Stelis Pte Limited	-	-	-	-	517.81	19.30	-	-
Stelis Biopharma LLC	-	-	-	-	15.34	-	-	-
Current borrowing								
Tenshi Life Sciences Pvt Ltd	-	300.00	-	-	-	-	-	-
Trade receivable								
Stelis Pte Limited	-	-	0.19	-	0.19	-	-	-
Steriscience Pte Limited	-	-	21.86	-	-	-	-	-
Steriscience Specialties Pvt Ltd	-	-	0.20	-	-	-	-	-
Advances receivable								
Skanray Healthcare Pvt Ltd	-	-	-	1.00	-	-	-	-
Tenshi Kaizen Pvt Ltd	-	-	-	0.28	-	-	-	-

Note No. 30 Financial instruments

30.1 Categories of financial instruments

₹ in Million

Particulars	March 31, 2021	March 31, 2020
Financial assets:		
Measured at fair value through profit or loss (FVTPL)		
(a) Investments	-	-
Measured at amortised cost		
(a) Trade receivables	22.42	0.06
(a) Cash and bank balances	774.08	211.10
(b) Other financial assets at amortised cost	39.64	12.49
Financial liabilities:		
Measured at amortised cost		
(a) Borrowings	3,093.22	3,892.54
(b) Current maturities of non-current borrowings	765.94	849.46
(c) Trade payables	426.26	306.61
(d) Other financial liabilities	279.00	346.85

30.2 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).

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30.2.1 Fair value of the Company's financial assets that are measured at fair value on a recurring basis

Investment in mutual funds are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and impts used).

Financial assets	Fair value as at March 31, 2021	Fair value as at March 31, 2020	Fair value hierarchy	Valuation technique(s) and key input (s)
Financial assets:				
Investment in Mutual fund (quoted)	-	-	Level 1	Fair value is determined based on the net asset value published by respective funds.

30.2.2 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, 2021		March 31, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities:				
Borrowings	3,859.16	3,975.75	4,742.00	4,889.99

30.3 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:

30.3.1 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, 2021		At as March 31, 2020	
	In foreign Currency	In INR	In foreign Currency	In INR
USD	(27.62)	(2,022.14)	(34.75)	(2,629.56)
EUR	(0.37)	(31.82)	(0.44)	(36.09)
AUD	(0.00)	(0.18)	(0.00)	(0.16)
GBP	(0.01)	(0.54)	(0.01)	(0.59)
SGD	(0.06)	(3.17)	(0.00)	(0.21)
AED	(0.00)	(0.01)	(0.01)	(0.12)
CNY	-	-	(0.01)	(0.13)
CAD	-	-	(0.00)	(0.18)
JPY	-	-	(0.08)	(0.25)

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30.3.2 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 neglibigle.

₹ in Million

Particulars	Increase / (Decrease) in Profit	
	March 31, 2021	March 31, 2020
Appreciation in the USD	(101.11)	(131.48)
Depreciation in the USD	101.11	131.48
Appreciation in the EUR	(1.59)	(1.80)
Depreciation in the EUR	1.59	1.80

The impact on profit has been arrived at by applying the effects of appreciation / deprecation 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, 2020.

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.

30.3.3 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 31 March, 2021	As at 31 March, 2020
Fixed-rate instruments		
Financial assets		
Balance with banks held as margin money	104.84	99.44
Balance with banks held in deposit account	-	-
Financial liabilities		
Borrowings from related parties	-	300.00
	104.84	**399.44**
Variable-rate instruments		
Financial liabilities		
Borrowings from bank	3,093.22	3,592.54
	3,093.22	**3,592.54**

Interest rate swap contracts

Under interest rate swap contracts, the Company agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Company to mitigate the risk of cash flow exposures on the variable rate borrowings.

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is the local interbank rate in the currency of the loan. The Company will settle the difference between the fixed and floating interest rate on a net basis.

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30.4 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.

30.5 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.

30.5.1 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.

₹ in Million

Financial Liabilities	Due within (years)						Total	Carrying Amount
	1	1 to 2	2 to 3	3 to 4	4 to 5	beyond 5		
Bank & other borrowings								
- As on March 31, 2021	790.29	878.08	878.08	878.08	488.63	62.59	3,975.75	3,859.16
- As on March 31, 2020	1,149.46	812.90	862.64	862.64	862.64	339.71	4,889.99	4,742.00
Interest payable on borrowings								
- As on March 31, 2021	42.19	-	-	-	-	-	42.19	42.19
- As on March 31, 2020	47.90	-	-	-	-	-	47.90	47.90
Trade and other payable								
- As on March 31, 2021	663.07	-	-	-	-	-	663.07	663.07
- As on March 31, 2020	605.56	-	-	-	-	-	605.56	605.56

Note No. 31 Deferred tax asset:

The Company has significant brought forward tax loss and unabsorbed depreciation, and 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 fixed assets and the written down value of such fixed assets under Income Tax. 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, 2021.

Notes

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Note No. 32 Segment Reporting:

The Company is engaged in the business of providing biotechnology process development services for healthcare industries. The board of directors of the group are identified as the chief operating decision Maker (CODM). The Company's operates in single operating segment, the reporting disclosures envisaged in Ind AS 108 on operating segments, are not applicable to the group. However, the geographical information are disclosed below:

Geographical Information

(i) Revenue from operations

₹ in Million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
India	213.90	15.42
Total	**213.90**	**15.42**

(ii) Non-current assets*

₹ in Million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
India	11,066.40	9,454.36
Total	**11,066.40**	**9,454.36**

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

Note No. 33

The Board of Directors of the Company on January 16, 2020 has decided to incorporate a Limited Liability Corporation (LLC) as a Wholly Owned Subsidiary in USA in the name of "Stelis Biopharma LLC" with an investment of up to USD 1,000,000, to be invested in one or more tranches. USD 200,000 investment was made up to March 31, 2021.

Note No. 34 Code of Social Security

The Code on Social Security, 2020 ('Code') relating to employee benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Note No. 35 Recent pronouncements

On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. The Company is evaluating the effect of the amendments on its financial statements.

Note No. 36 Approval of financial statements

The Company's financial statements are approved for issue by the board of directors on June 5, 2021.

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

Sathya P. Koushik
Partner
Membership Number: 206920

Place: Bengalure
Date: June 4, 2021

For and on behalf of Board of Directors

Deepak Vaidya
Director
DIN: 00337276

Place: Mumbai
Date: June 4, 2021

Arun Kumar Pillai
Director
DIN: 00084845

Place: Ooty
Date: June 4, 2021

Independent Auditor's Report

To The Members of Stelis Biopharma Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Stelis Biopharma Private Limited** ("the Parent") and its subsidiaries, (Parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31 March 2021, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2021, 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 specified under section 143 (10) of the Act (SAs). 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 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl. No.	Key Audit Matter	Response to Key Audit Matter
1	**Impairment assessment in respect of carrying value of the assets of the Cash Generating Unit (CGU) (which includes the property, plant and equipment, capital work-in progress, right-of-use assets, intangible assets and intangible assets under development) as at March 31, 2021:** As stated in note 4F of the consolidated financial statements, the management of the Company has assessed the annual impairment of CGU (which includes property, plant and equipment, capital work-in progress, right-of use asset, intangible assets and intangible assets under development) as at March 31, 2021. The carrying value of the CGU amounts to ₹10,632 million as of that date. 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. 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: • 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, • discount rate • probabilities applied to the revenues which also factors management's best estimate of possible delay in product development cycle and regulatory approvals	**Our principal audit procedures performed, among other procedures included:** • Obtained an understanding of the Management's process for impairment assessment of the carrying value of assets of the CGU. • Evaluated the design and implementation of the relevant controls and carried out testing of the management's control around the impairment assessment. • 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. • Evaluated the key assumptions considered in the management's estimates of future cash flows. • Involved our valuation specialists to evaluate the discount rate used in the calculations. • 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. • 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 discount rate applied to the future cash flows. • 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. • Tested the arithmetical accuracy of the computations. • Assessed the accounting principles applied by the group and adequacy of disclosures in accordance with the Indian Accounting Standards, applicable regulatory financial reporting framework and other accounting principles generally accepted in India.

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

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone 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 Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective 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 intends 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 Standalone 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 control 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the branches, entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such branches or entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other branches or entities or business activities included in the consolidated financial statements, which have been audited by the branch auditors or other auditors, such branch auditors and other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

We did not audit the financial statements of 2 subsidiaries, whose financial statements reflect total assets of ₹513.76 Million as at 31 March, 2021, total revenues of ₹57.25 Million and net cash inflows amounting to ₹2.48 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 matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other 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 relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

   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 31st March, 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting 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 over financial reporting of those companies.

   g. 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 Parent being a private company, section 197 of the Act related to the managerial remuneration not applicable.

   h. 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) there were no pending litigations which would impact the consolidated financial position of the Group.

      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.

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

Sathya P. Koushik
Partner
(Membership No. 206920)
UDIN: 21206920AAAAFI6230

Place: Bengaluru
Date: June 4, 2021

Annexure "A" to the Independent Auditor's Report

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

Report on the Internal Financial Controls Over Financial Reporting 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 of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of **Stelis Biopharma Private Limited** (hereinafter referred to as "the Parent"), as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent, is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ("the 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 Parent'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 Parent's internal financial controls over financial reporting 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. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Parent's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 Parent, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Parent considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sathya P. Koushik
Partner
(Membership No. 206920)
UDIN: 21206920AAAAFI6230

Place: Bengaluru
Date: June 4, 2021

Consolidated Balance Sheet

as at March 31, 2021

₹ in Million

Particulars	Note	As at March 31, 2021	As at March 31, 2020
A ASSETS			
I Non-current assets			
(a) Property, Plant and Equipment	4A	6,011.55	3,368.73
(b) Right of use assets	4B	286.13	155.69
(c) Capital work in progress	4C	776.96	2,912.63
(d) Intangible assets	4D	28.47	11.51
(e) Intangible assets under development	4E	3,528.93	2,514.66
(f) Financial assets			
(i) Security deposits	6	39.64	12.49
(g) Other non-current assets	7	919.20	491.14
Total non-current assets		**11,590.88**	**9,466.85**
II Current assets			
(a) Inventories	5	48.94	-
(b) Financial assets			
(i) Trade receivables	8	22.23	0.06
(ii) Cash and cash equivalents	9A	672.85	112.79
(iii) Bank balances other than (ii) above	9B	104.84	99.44
(c) Other current assets	7	138.33	35.57
Total current assets		**987.19**	**247.86**
Total assets (I+II)		**12,578.07**	**9,714.71**
B EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	10A	15.43	9.45
(b) Preference share capital	10B	-	0.51
(c) Other equity	10C	7,744.77	4,160.61
Total equity		**7,760.20**	**4,170.57**
II Liabilities			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	11	3,093.22	3,592.54
(b) Lease liabilities	12	96.13	-
(c) Provisions	13	17.50	13.29
Total non-current liabilities		**3,206.85**	**3,605.83**
2 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	300.00	-	300.00
(ii) Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises	50.79	18.52	50.79
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	255.82	409.72	255.82
(iii) Other financial liabilities	1,195.92	1,024.66	1,195.92
(b) Lease liabilities	-	11.91	-
(c) Provisions	19.17	27.16	19.17
(d) Other current liabilities	116.61	119.05	116.61
Total Current liabilities	1,938.31	**1,611.02**	**1,938.31**
Total Equity and liabilities (I+II)		**12,578.07**	**9,714.71**

See accompanying notes forming part of the consolidated financial statements

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

Sathya P. Koushik
Partner
Membership Number: 206920

Place: Bengalure
Date: June 4, 2021

For and on behalf of Board of Directors

Deepak Vaidya
Director
DIN: 00337276

Place: Mumbai
Date: June 4, 2021

Arun Kumar Pillai
Director
DIN: 00084845

Place: Ooty
Date: June 4, 2021

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

₹ in Million

Sl No.	Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
1	Revenue from operations	18	213.90	15.42
2	Other income	19	10.05	7.55
3	**Total income (1+2)**		**223.95**	**22.97**
4	**Expenses**			
	(a) Employee benefits expenses	20	356.02	266.68
	(b) Finance costs	21	158.16	277.87
	(c) Depreciation and amortisation expenses	22	344.04	288.06
	(d) Other expenses	23	571.34	588.22
	Total expenses (4)		**1,429.56**	**1,420.83**
5	**Profit / (Loss) before tax (3-4)**		**(1,205.61)**	**(1,397.86)**
6	Tax expense		2.68	-
7	**Profit / (Loss) for the year (5-6)**		**(1,208.29)**	**(1,397.86)**
8	**Other Comprehensive Income**			
	Items that will not be reclassified to statement of profit and loss			
	- Remeasurements of post employment benefit obligations- gain / (loss)		1.76	(6.23)
	- Income tax relating to these items		-	-
	Items that may be reclassified to statement of profit and loss			
	- Exchange differences in translating the financial statements of foreign operations		(11.37)	-
	- Income tax relating to these items		-	-
9	**Total other comprehensive income**		**(9.61)**	**(6.23)**
10	**Total comprehensive income for the year (7+9)**		**(1,217.90)**	**(1,404.09)**
11	**Earnings per equity share (of ₹ 10/- each)**	28		
	- Basic		(1,002.72)	(1,891.41)
	- Diluted		(1,002.72)	(1,891.41)

See accompanying notes forming part of the consolidated financial statements

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

Sathya P. Koushik
Partner
Membership Number: 206920

Place: Bengalure
Date: June 4, 2021

For and on behalf of Board of Directors

Deepak Vaidya
Director
DIN: 00337276

Place: Mumbai
Date: June 4, 2021

Arun Kumar Pillai
Director
DIN: 00084845

Place: Ooty
Date: June 4, 2021

Consolidated Cash Flow Statement

for the year ended March 31, 2021

₹ in Million

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
A. Cash flow from operating activities				
Profit / (Loss) for the year		(1,208.29)		(1,397.86)
Adjustments for:				
Depreciation and amortisation (Refer Note 21)	344.04		288.06	
Finance costs (Refer Note 20)	158.16		277.87	
Interest income (Refer Note 18)	(6.07)		(7.55)	
Loss on sale of asset (Refer Note 22)	-		0.23	
Interest receivable written off (Refer Note 22)	-		8.00	
Unrealised exchange (gain)/loss (net)	15.21		220.54	
		511.34		**787.15**
Operating profit / (loss) before working capital changes		(696.95)		(610.71)
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Trade receivable (Refer Note 8)	(22.68)		(0.06)	
Other assets (financial & non-financial)	(361.17)		(93.62)	
Decrease / (increase) in inventories	(48.94)		-	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables (Refer Note 14)	58.16		105.78	
Other liabilities (financial & non-financial)	(95.59)		78.61	
		(470.22)		90.71
Net cash used for operating activities		**(1,167.17)**		**(520.00)**
Income taxes paid (net)		(8.66)		(2.48)
Net cash flow from / (used in) operating activities (A)		**(1,175.83)**		**(522.48)**
B. Cash flow from investing activities				
Capital expenditure on property, plant and equipments including capital advances	(2,074.37)		(1,560.83)	
Proceeds from sale of property, plant and equipment	-		1.39	
Proceeds from sale of investment	-		0.11	
(Increase)/decrease in balance held as margin money	(5.40)		(15.93)	
Interest received	6.07		7.55	
Net cash flow from / (used in) investing activities (B)		**(2,073.70)**		**(1,567.71)**

Consolidated Cash Flow Statement

for the year ended March 31, 2021

₹ in Million

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
C. Cash flow from financing activities				
Proceeds from issue of equity shares	4,808.02		864.51	
Proceeds from issue of compulsorily convertible preference shares	-		1,138.79	
Proceeds from share application money pending allotment	0.02		25.00	
Proceeds of short term borrowings	481.50		500.00	
Repayment of short term borrowings	(781.50)		(550.00)	
Proceeds of long-term borrowings	110.00		1,131.70	
Repayment of long-term borrowings	(644.58)		(2,292.36)	
Grant from Biotechnology Industry Research Assistance Council	-		59.55	
Interest paid	(163.87)		(229.97)	
Net cash flow from / (used in) financing activities (C)		**3,809.59**		**647.22**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**560.06**		**(1,442.97)**
Cash and cash equivalents at the beginning of the year		112.79		1,555.76
Cash and cash equivalents at the end of the period		**672.85**		**112.79**
Reconciliation of cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet (Refer Note 9A)		672.85		112.79
Cash and cash equivalents at the end of the period *		**672.85**		**112.79**
*Cash and cash equivalents comprises:				
Cash on hand		0.49		0.60
Balances with banks				
- in current accounts		672.36		112.19
Total		**672.85**		**112.79**

See accompanying notes forming part of the consolidated financial statements

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

Sathya P. Koushik
Partner
Membership Number: 206920

Place: Bengalure
Date: June 4, 2021

For and on behalf of Board of Directors

Deepak Vaidya
Director
DIN: 00337276

Place: Mumbai
Date: June 4, 2021

Arun Kumar Pillai
Director
DIN: 00084845

Place: Ooty
Date: June 4, 2021

Consolidated Statement of Changes in Equity

for the year ended March 31, 2021

A. Equity Share Capital

₹ in Million

Particulars	Amount
Balance as at April 01, 2019	**6.52**
Changes in equity share capital during the year	
- Issued during the year	2.93
Balance as at March 31, 2020	**9.45**
Changes in equity share capital during the year	
- Issued during the year	5.98
Balance as at March 31, 2021	**15.43**

B. Preference Share Capital

₹ in Million

Particulars	Amount
Balance as at April 01, 2019	**0.91**
Changes in preference share capital during the year	
- Issued during the year	1.38
- Conversion to equity shares during the year	(1.78)
Balance as at March 31, 2020	**0.51**
Changes in preference share capital during the year	
- Issued during the year	-
- Conversion to equity shares during the year	(0.51)
Balance as at March 31, 2021	**-**

C. Other equity

₹ in Million

Particulars	Share application money pending allotment	Reserves and Surplus		Other comprehensive income - Foreign currency translation	Total equity attributable to equity holders of the Company
		Securities premium account	Retained earnings		
Balance as at April 01, 2019	**85.90**	**4,847.53**	**(1,394.50)**	**-**	**3,538.93**
Loss for the year	-	-	(1,397.86)	-	(1,397.86)
Issue of shares pursuant to exercise of share warrants	(85.90)	343.18	-	-	257.28
Premium received on shares issued during the year	25.00	1,743.49	-	-	1,768.49
Other Comprehensive Income for the year	-	-	(6.23)	-	(6.23)
Balance as at March 31, 2020	**25.00**	**6,934.20**	**(2,798.59)**	**-**	**4,160.61**
Loss for the period	-	-	(1,208.29)	-	(1,208.29)
Issue of shares pursuant to exercise of share warrants	(25.00)	-	-	-	(25.00)
Share application money received on issue of share warrants	0.02	-	-	-	0.02
Premium received on shares issued during the period	-	4,827.04	-	-	4,827.04
Other Comprehensive Income for the period	-	-	1.76	(11.37)	(9.61)
Balance as at March 31, 2021	**0.02**	**11,761.24**	**(4,005.12)**	**(11.37)**	**7,744.77**

See accompanying notes forming part of the consolidated financial statements

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

For and on behalf of Board of Directors

Sathya P. Koushik
Partner
Membership Number: 206920

Place: Bengalure
Date: June 4, 2021

Deepak Vaidya
Director
DIN: 00337276

Place: Mumbai
Date: June 4, 2021

Arun Kumar Pillai
Director
DIN: 00084845

Place: Ooty
Date: June 4, 2021

Notes

forming part of the consolidated financial statements

Note No. 1 General Information

Stelis Biopharma Private Limited (the 'Company' or 'Stelis') was incorporated in the state of Karnataka on June 12, 2007 with the object of providing biotechnology process development services for healthcare industries. The company and its subsidiary are together referred as "Group".

The consolidated financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issue on June 4, 2021.

These financial statements comprise the Consolidated Balance sheet of the Company, Consolidated Statement of Profit and Loss (including Other Comprehensive Income) and Consolidated Cash flow statement, Consolidated statement of changes in equity and significant accounting policies and other explanatory information (together the "consolidated financial statements").

Note No. 2 Significant accounting policies

2.1 Statement of Compliance

These consolidated financial statements have been prepared to comply in all material aspects with the 'Indian Accounting Standards' ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") read with Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter, as applicable to the Company, and other relevant provisions of the Act.

2.2 Basis of preparation and presentation

2.2.1 Basis of measurement

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 period, 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 for assets.

The Group has incurred losses during the year ended March 31, 2021 and as of that date, the Group's net current liabilities exceed its net current assets by ₹623.83 million. In addition to meeting its obligations, the Company also requires substantial amount of additional funds to continue its product development activities and day to day operations and completion of capital projects in progress.

Based on the various committed funding in place and based on the status of the product development and capital work-in progress, the Management is confident that sufficient funds will be forthcoming and accordingly has prepared these financial statements on a going concern basis.

Subsequent to the year end, the Group has received an amount or ₹3,285 million as capital infusion from the new investors out of the committed funding arrangements entered into by the Company.

The principal accounting policies are set out below.

2.2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- 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.

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.

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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 period 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 :

Sr. No.	Name of the Subsidiary	% of Holding	Country of Incorporation
1	Stelis Pte ltd	100%	Singapore
2	Stelis Biopharam LLC	100%	USA

2.3 Revenue recognition

2.3.1 Sale of Services

Revenue from development services is recognised on achievement of a development milestone and when it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Revenue from fixed-price, fixed time frame contracts, where the performance obligations are satisfied overtime is recognized on a straight-line basis over the specified period unless some other method better represents the stage of completion, provided there is no uncertainty as to measurement or collectability of the consideration.

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.

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2.4 Functional Currency

The consolidated financial statements are presented in Indian rupees, which is the functional currency of the parent Stelis Biopharma Private Limited. 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 period, 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 period 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. Contracts in which all the risks and rewards of the lease are substantially transferred to the lessee are classified as a finance lease. All other leases are classified as operating leases.

Leases, for which the Group is an intermediate lessor, it accounts for the head-lease and sub-lease as two separate contracts. The sub-lease is classified as a finance lease or an operating lease by reference to the RoU asset arising from the head-lease.

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.

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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.

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 period 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.

Interest 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 period 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 period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period 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 benefit 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 annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period 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 in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period 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'. Curtailment gains and losses are accounted for as past service costs.

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.

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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 period 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 period 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.

2.9 Taxation

The income tax expense or credit for the year is the tax payable on the current period'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 period.

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 period 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 period 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 period.

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 period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include 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.

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2.9.3 Current and deferred tax for the year

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

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 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 period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Individual assets costing less than ₹ 5,000 are depreciated in full in the year of purchase.

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

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 period, 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 period 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;

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- 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 period 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.

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

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 and, where applicable, excise duty. Cost is determined as follows:

Raw materials, packing materials and consumables	Weighted avearge basis
Stock in trade	Weighted avearge basis

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 period, 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.

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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 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 collaterized borrowing for the proceeds recieved. Financial liabilities are derecognised when these are extingushed, 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 period, 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.

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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 period 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 the periods 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.

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 financial statements and the reported amounts of income and expenses during the reported period. 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 period 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

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods.

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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 pre-tax future cash flows attributable to the assets and a pre-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 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.

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 26.

Estimation uncertainties relating to the global health pandemic from Corona Virus (COVID-19):

The COVID-19 pandemic is rapidly spreading throughout the world. The Group has evaluated impact of this pandemic on the financial statements based on its review of current indicators of future economic conditions. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial results. The Group will continue to closely monitor any material changes to future economic conditions, the effect of which will be given in the respective future period.

Notes

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Note No. 4A Property, Plant and Equipment

₹ in Million

Particulars	Gross block				Accumulated depreciation				Net block	
	As at April 01, 2020	Additions	Disposals	As at March 31, 2021	As at April 01, 2020	Depreciation expense for the year	Eliminated on disposal of assets	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Buildings	678.74	488.06	-	1,166.80	66.00	39.93	-	105.93	1,060.87	612.74
	(676.98)	(1.76)	-	(678.74)	(34.42)	(31.58)	-	(66.00)	(612.74)	(642.56)
Plant and Machinery	3,047.63	2,420.98	-	5,468.61	394.44	265.05	-	659.49	4,809.12	2,653.19
	(2,936.38)	(111.25)	-	(3,047.63)	(169.98)	(224.46)	-	(394.44)	(2,653.19)	(2,766.40)
Office equipments	69.29	13.00	-	82.29	17.86	14.32	-	32.18	50.11	51.43
	(69.06)	(0.23)	-	(69.29)	(4.47)	(13.39)	-	(17.86)	(51.43)	(64.59)
Computers	58.04	17.40	-	75.44	19.92	14.07	-	33.99	41.45	38.12
	(49.94)	(8.10)	-	(58.04)	(7.42)	(12.50)	-	(19.92)	(38.12)	(42.52)
Furniture and fixtures	15.60	40.71	-	56.31	4.06	3.75	-	7.81	48.50	11.54
	(15.26)	(0.34)	-	(15.60)	(2.45)	(1.61)	-	(4.06)	(11.54)	(12.81)
Vehicles	1.72	-	-	1.72	0.01	0.21	-	0.22	1.50	1.71
	(3.83)	(1.72)	(3.83)	(1.72)	(1.87)	(0.35)	(2.21)	(0.01)	(1.71)	(1.96)
Total	**3,871.02**	**2,980.15**	**-**	**6,851.17**	**502.29**	**337.33**	**-**	**839.62**	**6,011.55**	**3,368.73**
Previous year	(3,751.45)	(123.40)	(3.83)	(3,871.02)	**(220.61)**	**(283.89)**	**(2.21)**	**(502.29)**	**(3,368.73)**	**(3,530.84)**

Notes:-

(i) Figures in bracket relates to previous year

(ii) Refer note 11 for properties pledged as security towards borrowings

Note No. 4B Right of Use Assets

₹ in Million

Particulars	Gross block				Accumulated depreciation				Net block	
	As at April 01, 2020	Additions	Disposals	As at March 31, 2021	As at April 01, 2020	Depreciation expense for the year	Eliminated on disposal of assets	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Land	157.35	-	-	157.35	1.66	3.16	-	4.82	152.53	155.69
Building	-	132.89	-	132.89	-	2.86	-	2.86	130.03	-
Plant and Machinery	-	4.31	-	4.31	-	0.74	-	0.74	3.57	-
Total	**157.35**	**137.20**	**-**	**294.55**	**1.66**	**6.76**	**-**	**8.42**	**286.13**	**155.69**

Note No. 4C Capital Work in Progress

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	2,912.63	1,737.84
Add: Additions during the year	844.48	1,301.17
Less: Capitalised during the year	(2,980.15)	(126.38)
Closing Balance	**776.96**	**2,912.63**

Notes

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Note No. 4D Other Intangible Assets

₹ in Million

Particulars	Gross block				Accumulated depreciation				Net block	
	As at April 01, 2020	Additions	Disposals	As at March 31, 2021	As at April 01, 2020	Depreciation expense for the year	Eliminated on disposal of assets	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Software licences	17.97	21.23	-	39.20	6.46	4.27	-	10.73	28.47	11.51
	(14.99)	(2.98)	-	(17.97)	(3.45)	(3.01)	-	(6.46)	(11.51)	(11.54)
Total	**17.97**	**21.23**	**-**	**39.20**	**6.46**	**4.27**	**-**	**10.73**	**28.47**	**11.51**
Previous year	(14.99)	(2.98)	-	(17.97)	**(3.45)**	**(3.01)**	**-**	**(6.46)**	**(11.51)**	**(11.54)**

Notes:
(i) Figures in bracket relates to previous year

Note No. 4E Capital Work in Progress

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2021
Intangible assets under development	3,528.93	2,514.66
Total	**3,528.93**	**2,514.66**

Note :- Pursuant to license transfer agreement with Biolexis Pte Limited dated July 6 2020, the Group has purchased Intellectual property rights for two product for a consideration of ₹481.65 (USD 6.6 Mio) based on the fair valuation carried out by independent valuer.

Note No. 4F Annual Impairment assessment:

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 property, plant and equipment, capital work-in progress, right-of use asset, intangible asset and intangible assets under development) as at March 31, 2021. 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 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.

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 3.54%
- Increase in discount rate by 3.10% and nil terminal growth rate

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Note No. 5 Inventories

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2021
Consumables	48.94	-
Total	**48.94**	**-**

Note No. 6 Security deposits

₹ in Million

Particulars	As at March 31, 2021		As at March 31, 2021	
	Current	Non- Current	Current	Non- Current
Unsecured, considered good:				
- Security deposits	-	39.64	-	12.49
Total	**-**	**39.64**	**-**	**12.49**

Note No. 7 Other assets

₹ in Million

Particulars	As at March 31, 2021		As at March 31, 2021	
	Current	Non- Current	Current	Non- Current
Unsecured, considered good:				
- Capital advances	-	348.67	-	30.09
- Balances with government authorities				
- VAT/CST refund receivable	-	12.74	-	12.74
- GST credit & other receivable	-	544.35	-	443.53
- TDS receivable	-	13.44	-	4.78
- Advances to vendors	133.28	-	31.90	-
- Advances to related parties (Refer Note 28)	-	-	1.28	-
- Advances to employees	2.74	-	1.17	-
- Prepaid expenses	2.31	-	1.22	-
Total	**138.33**	**919.20**	**35.57**	**491.14**

Note No. 8 Trade receivables

₹ in Million

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non- Current	Current	Non- Current
Unsecured, considered good:				
Trade receivables from related parties	22.06	-	-	
Others	0.17	-	0.06	-
Total	**22.23**	**-**	**0.06**	**-**

Note No. 9A Cash and cash equivalents

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	0.49	0.60
Balances with banks		
- in current accounts	672.36	112.19
Total	**672.85**	**112.79**

Notes

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Note No. 9B Other balances with banks

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Balance held as margin money:		
- against borrowings facilities with banks	104.84	99.44
Total	**104.84**	**99.44**

Note No. 10A Equity Share Capital

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
35,500,000 Equity shares of ₹ 10/- each with voting rights	35.50	35.50
(35,500,000 Equity shares of ₹ 10/- each with voting rights as on March 31, 2020)		
	35.50	**35.50**
Issued, subscribed and fully paid up		
1,543,309 Equity shares of ₹ 10/- each with voting rights	15.43	9.45
(945,011 Equity shares of ₹ 10/- each with voting rights as on March 31, 2020)		
Total	**15.43**	**9.45**

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

Particulars	Opening Balance	Issue of shares during the year	Closing Balance
Equity shares of ₹ 10/- each with voting rights			
Year Ended 31 March 2021			
No. of Shares	945,011	598,298	1,543,309
Amount ₹ in Million	9.45	5.98	15.43
Year Ended 31 March 2020			
No. of Shares	652,308	292,703	945,011
Amount ₹ in Million	6.52	2.93	9.45

The Company has only once class of equity shares having a par value of ₹ 10/- each. The holder of equity shares is entitled to one vote per share.

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

Particulars	As at March 31, 2021		As at Mar 31, 2020	
	Number of shares	%	Number of shares	%
Strides Pharma Science Limited	739,288	47.90%	451,822	47.81%
GMS Pharma (Singapore) Pte Limited	116,946	7.58%	243,807	25.80%
Tenshi Life Sciences Pvt Ltd	266,760	17.28%	249,382	26.39%
Medella Holdings Pte Ltd	345,746	22.40%	-	0.00%

Notes

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Note No. 10B Preference Share Capital

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
134,334 Series A CCPS of ₹ 10/- each	1.34	1.34
(134,334 Series A CCPS of ₹ 10/- each as on March 31, 2020)		
179,112 Series B CCPS of ₹ 10/- each	1.79	1.79
(179,112 Series B CCPS of ₹ 10/- each as on March 31, 2020)		
	3.13	**3.13**
Issued, subscribed and fully paid up		
Nil as on March 31, 2021 (50,901 Series B CCPS of ₹ 10/- each as on March 31, 2020)	-	0.51
Total	**-**	**0.51**

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

Particulars	Opening Balance	Issue of shares during the year	Conversion to equity shares during the year	Closing Balance
Preference Shares				
Year Ended 31 March 2021				
Series B CCPS				
No. of Shares	50,901	-	(50,901)	-
Amount ₹ in Million	0.51	-	(0.51)	-
Year Ended 31 March 2020				
Series A CCPS				
No. of Shares	90,766	36,306	(127,072)	-
Amount ₹ in Million	0.91	0.36	(1.27)	-
Year Ended 31 March 2020				
No. of Shares	-	101,727	(50,826)	50,901
Amount ₹ in Million	-	1.02	(0.51)	0.51

(ii) Details of preference shares held by each shareholder holding more than 5% shares:

₹ in Million

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	%	Number of shares	%
Strides Pharma Science Limited	-	0.00%	-	0.00%
GMS Pharma (Singapore) Pte Limited	-	0.00%	33,523	65.86%
Tenshi Life Sciences Pvt Ltd	-	0.00%	17,378	34.14%

Note No. 10C Other equity

₹ in Million

Particulars	Note no.	As at March 31, 2021	As at March 31, 2020
Securities premium account	10C (i)	11,761.24	6,934.20
Retained earnings	10C (ii)	(4,016.49)	(2,798.59)
Share application money pending allotment	10C (iii)	**0.02**	**25.00**
Total		**7,744.77**	**4,160.61**

Notes

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₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
(A) Reserves and surplus		
(i) Security premium account		
Amounts received on issue of shares in excess of the par value has been classified as securities premium.		
Opening balance	6,934.20	4,847.53
Add: Premium on equity shares issued during the year	4,827.04	947.48
Add: Premium on compulsorily convertible preference shares issued during the year	-	1,139.19
Closing balance	**11,761.24**	**6,934.20**
(ii) Retained earnings		
Retained earnings comprises of the amounts that can be distributed by the Company as dividends to its equity share holders.		
Opening balance	(2,798.59)	(1,394.50)
Add: Profit/(Loss) for the year	(1,208.29)	(1,397.86)
Add: Remeasurements of post-employment benefit obligation (net of tax)	1.76	(6.23)
Add: Exchange differences in translating the financial statements of foreign operations	(11.37)	-
Closing balance	**(4,016.49)**	**(2,798.59)**
(iii) Share application money pending allotment		
Share application money pending allotment account represents the share allotment monies received by the company but pending allotment as on the reporting date.		
Opening balance	25.00	85.90
Add: Addition during the year	0.02	25.00
Less: Shares allotted during the year	(25.00)	(85.90)
Closing balance	**0.02**	**25.00**
Total	**7,744.77**	**4,160.61**

Note No. 11 Non-current borrowings

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Secured borrowings:		
- Term loans from banks (Refer note 1 below)	3,093.22	3,592.54
Total	**3,093.22**	**3,592.54**

Note 1

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

₹ in Million

Terms of repayment and security - Term Loan 1 (USD) (Refer note 2 below)	As at March 31, 2021	As at March 31, 2020
Non-current borrowings	1,586.64	2,003.67
Current maturities of non-current borrowings	483.28	496.34
The above comprises of foreign currency term loan and ECB loan.		
Security: The said loan is secured by second 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 Ltd. Rate of interest: 3 month LIBOR + 3.65% Repayment to be made over 28 equal quarterly instalments. The outstanding term as at March 31, 2021 are 18 installments. (March 31, 2020: 20 installments) The loan is supported by corporate guarantee of Strides Pharma Science Limited.		

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₹ in Million

Terms of repayment and security - Term Loan 2 (INR)	As at March 31, 2021	As at March 31, 2020
Non-current borrowings	414.15	448.63
Current maturities of non-current borrowings	108.98	103.97
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 Ltd. Rate of interest: I Base rate + spread Repayment to be made over 28 equal quarterly instalments. The outstanding term as at March 31, 2021 are 19 instalments. (March 31, 2020 21 installments) The loan is supported by corporate guarantee of Strides Pharma Science Limited.		

₹ in Million

Terms of repayment and security - Term Loan 3 (INR)	As at March 31, 2021	As at March 31, 2020
Non-current borrowings	-	-
Current maturities of non-current borrowings	-	249.15
Security: Unconditional and irrevocable personal guarantee of Promoter of Strides Pharma Science Limited Rate of interest: 10.50% linked to 3M MCLR Repayment to be made over 18 equal monthly instalments. The outstanding term as at March 31, 2021 are Nil. (March 31, 2020 9 installments)		

₹ in Million

Terms of repayment and security - Term Loan 4 (INR)	As at March 31, 2021	As at March 31, 2020
Non-current borrowings	984.72	1,140.24
Current maturities of non-current borrowings	171.39	-
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 Repayment to be made over 20 equal quarterly instalments starting from July-21. The loan is supported by corporate guarantee of Strides Pharma Science Limited.		

₹ in Million

Terms of repayment and security - Term Loan 5 (INR)	As at March 31, 2021	As at March 31, 2020
Non-current borrowings	107.71	-
Current maturities of non-current borrowings	2.29	-
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% Repayment to be made over 48 equal quarterly instalments starting from March-22.		

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Disclosed under non-current borrowings	3,093.22	3,592.54
Disclosed under other current financial liabilities		
- Current maturities of non-current borrowings	765.94	849.46

Notes

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Note No. 12 Lease liabilities

₹ in Million

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non-Current	Current	Non-Current
Provision for employee benefits:				
- Lease liabilities	11.91	96.13	-	-
Total	**11.91**	**96.13**	**-**	**-**

Note No. 13 Provisions

₹ in Million

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non-Current	Current	Non-Current
Provision for employee benefits:				
- Gratuity (Refer note 25)	0.92	17.50	0.84	13.29
- Compensated absences	26.24	-	18.33	-
Total	**27.16**	**17.50**	**19.17**	**13.29**

Note No. 14 Current borrowings

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2021
Unsecured borrowings:		
- Loans from related parties (Refer Note 28)	-	300.00
Total	**-**	**300.00**

Note No. 15 Trade payables

₹ in Million

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non-Current	Current	Non-Current
- Total outstanding dues of micro enterprises and small enterprises	18.52	-	50.79	-
- Total outstanding dues of creditors other than micro and small enterprises	409.72	-	255.82	-
Total	**428.24**	**-**	**306.61**	**-**

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

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2021
(i) Principal amount remaining unpaid to any suppliers as at the end of the accounting year	18.08	47.33
(ii) Interest due thereon remaining unpaid to any suppliers as at the end of the accounting year	0.44	3.46
(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	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	3.90	3.46
(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	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

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Note No. 16 Other financial liabilities

₹ in Million

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non-Current	Current	Non-Current
- Current maturities of non-current borrowings (Refer note 11)	765.94	-	849.46	-
- Interest accrued but not due on borrowings	42.19	-	47.90	-
- Creditors for capital supplies/services	155.96	-	137.37	-
- Payable to related parties (Refer Note 28)	60.57	-	161.19	-
Total	**1,024.66**	**-**	**1,195.92**	**-**

Note No. 17 Other liabilities

₹ in Million

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non-Current	Current	Non-Current
- Advance from customers	45.16	-	40.59	-
- Statutory dues	14.34	-	16.47	-
- Grant from Biotechnology Industry Research Assistance Council	59.55	-	59.55	-
Total	**119.05**	**-**	**116.61**	**-**

Note No. 18 Revenue from operations

₹ in Million

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Service income	213.17	15.30
Other operating revenues	0.73	0.12
Total	**213.90**	**15.42**

Note No. 19 Other income

₹ in Million

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Interest income on financial assets at amortised cost	6.07	7.55
Advance Written back	3.98	-
Total	**10.05**	**7.55**

Note No. 20 Employee benefit expense

₹ in Million

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Salaries and wages	311.09	232.10
Contributions to provident and other funds	17.64	15.44
Staff welfare expenses	27.29	19.14
Total	**356.02**	**266.68**

Notes

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Note No. 21 Finance cost

₹ in Million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense on borrowings (including exchange differences regarded as an adjustment to borrowing costs)	304.65	495.32
Less: Amounts included in the cost of qualifying assets	(180.62)	(239.30)
Interest expense on loan from group company	11.78	14.96
Interest on lease liability	0.33	-
Other borrowing cost	22.02	6.89
Total	**158.16**	**277.87**

Note No. 22 Depreciation and amortisation expenses

₹ in Million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on Property, plant and equipment (Refer Note 4A)	337.33	283.89
Depreciation on Right to use assets (Refer Note 4B)	2.44	1.16
Amortisation on Intangible assets (Refer Note 4D)	4.27	3.01
Total	**344.04**	**288.06**

Note No. 23 Other Expenses

₹ in Million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Power & Fuel	83.69	51.53
Rates and taxes	8.86	1.33
Insurance	7.44	2.24
Repairs and maintenance:		
- Machinery	30.20	46.18
- Others	41.43	40.57
Manpower service	14.91	12.13
Housekeeping service	20.50	11.29
Freight and forwarding	2.32	2.35
Business promotion	3.42	12.02
Travelling and conveyance	2.56	9.06
Exchange fluctuation loss (net)	15.21	136.00
Printing and stationery	5.92	3.51
Communication	19.06	18.51
Security Charges	6.24	6.45
Office expense	3.47	2.29
Loss on sale of asset (net)	-	0.23
Boarding and lodging	1.22	1.95
Consumables	205.19	106.08
Support service charges	34.96	31.59
Legal and professional fees	53.16	59.66
Auditors remuneration (refer note (i) below)	3.09	3.31
Research and development	4.64	21.54
Interest receivable written off	-	8.00
Miscellaneous expenses	3.85	0.40
Total	**571.34**	**588.22**

Notes

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Note

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

₹ in Million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Audit of standalone and consolidated financial statements	2.50	2.50
Other services - Group reporting	0.75	0.75
Reimbursement of expenses	0.10	0.06
Total	**3.35**	**3.31**

Note No. 24 Details of Research and Development expenditure incurred

₹ in Million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Research & development expenses including capital expenditure:		
Material and third party outsourcing cost	267.17	321.05
Labour	151.00	111.54
Overheads	117.78	136.83
Total	**535.95**	**569.42**

Out of the above mentioned expenditure, ₹ 535.95 Million (Previous year: ₹ 547.88 Million) has been capitalised under intangibles under development. The expenditure detailed above have been incurred for DSIR recognized R&D unit in Bangalore.

During the year ended March 31, 2021, the Company tested intangible assets under development for impairment. Pursuant to such assessment, the Company has written-off such assets of ₹ 4.64 Million (Previous year: INR 21.54 Million).

The amount quantified as research and development expenditure (both capital and revenue) is as certified by the management of the Company and relied upon by the auditors.

Note No. 25 Commitments (To the extent not provided for)

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances):		
- Property, Plant and equipment	455.26	199.86
Total	**455.26**	**199.86**

Note No. 26 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. The company recognised ₹12.93 Million (previous year: ₹11.85 Million) for provident fund contributions, ₹ 0.01 Million (previous year: 0.02) for employee state insurance scheme 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.

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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, 2021	March 31, 2020
Discount rate(s)	6.37%	6.40%
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, 2021	As at March 31, 2020
Service cost:		
Current service cost	5.81	2.74
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	0.88	0.65
Components of defined benefit costs recognised in statement of profit and loss	**6.69**	**3.39**
Remeasurement on the net defined benefit liability:		
Return on plan assets [excluding amounts included in net interest expense] (excess) / Short return	-	-
Actuarial (gains) / losses arising from changes in demographic assumptions	-	1.53
Actuarial (gains) / losses arising from changes in financial assumptions	0.04	0.56
Actuarial (gains) / losses arising from experience adjustments	(1.80)	4.14
Components of defined benefit costs recognised in other comprehensive income	**(1.76)**	**6.23**
Total	**4.93**	**9.62**

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 remeasurernent of the net defined benefit liability is included in other comprehensive income.

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, 2021	As at March 31, 2020
Present value of funded defined benefit obligation	18.42	14.13
Fair value of plan assets	-	-
Funded status	**18.42**	**14.13**
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	**18.42**	**14.13**

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

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Opening defined benefit obligation	14.13	9.87
Add: Acquisition / (disposal)	-	(0.23)
Expenses Recognised in statement of profit and loss		
Current service cost	5.81	2.74
Past service cost and (gain)/loss from settlements	-	-
Interest cost	0.88	0.65
Remeasurement (gains)/losses		
Actuarial (gains) / losses arising from changes in demographic assumptions	-	1.53
Actuarial (gains) / losses arising from changes in financial assumptions	0.04	0.56
Actuarial (gains) / losses arising from experience adjustments	(1.80)	4.14
Benefits paid	(0.64)	(5.13)
Net liability arising from defined benefit obligation	**18.42**	**14.13**

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.

If the discount rate increases (decrease) by 1%, the defined benefit obligation would be ₹19.81 Million (₹15.16 Million) as at March 31, 2021

If the expected salary growth increases (decrease) by 1%, the defined benefit obligation would be ₹17.18 Million (₹13.21 Million) as at March 31, 2021

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	0.92
Year 2	1.22
Year 3	1.81
Year 4	2.25
Year 5	2.56
Years 6 to 10	9.93

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Note No. 27 Leases

Company as a lessee : The Company has entered into lease arrangements for land and office buildings.

Effective April 1, 2019, the Company adopted new standard Ind AS 116 "Leases", which replaced the earlier standard on Leases Ind AS 17. The Company applied the new standard Ind AS 116 to all lease contracts existing on April 1, 2019, the date of transition, using the modified retrospective method on the date of initial application with no impact on retained earnings. On transition, the adoption of the new standard resulted in recognition of 'Right-of-Use' asset of ₹157.35 millon and de-recognition of prepaid expenses of ₹157.35 million as at April 1, 2019.

Refer Note 2.6 for the accounting policies in respect of Ind AS 116.

Movement in right-of-use assets and lease liabilities during the year:

Right-of-use assets:

Particulars	Lease hold land	Office space	Plant & Machinary	Total
Opening balance as on 01 April 2019	**157.35**	**-**	**-**	**157.35**
Additions	-	-	-	-
Depreciation	(1.66)	-	-	(1.66)
Deletions	-	-	-	-
Closing balance as on 31 March 2020	**155.69**	**-**	**-**	**155.69**
Additions	-	132.89	4.31	137.20
Depreciation	(3.16)	(2.86)	(0.74)	(6.76)
Deletions	-			-
Closing balance as on 31 March 2021	**152.53**	**130.03**	**3.57**	**286.13**

Lease liabilities

₹ in Million

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	-	-
Additions	107.71	-
Interest	0.33	-
Lease payments	-	-
Closing balance	**108.04**	**-**
Current	11.91	-
Non-current	96.13	-

₹ in Million

Particulars	As at March 31, 2021			As at March 31, 2020		
	1 year	1 to 5 years	More than 5 years	1 year	1 to 5 years	More than 5 years
Factory Building	11.91	91.48	-	-	-	-
Plant and Machinery	-	4.65	-	-	-	-

Note

The entity has entered into an lease agreement with KIADB for a period of 99 years commencing from August 19, 2015 for an area measuring 40,473 sq. metres at Dodaballapur which was earlier classified under prepaid lease rentals. On transition to Ind AS 116, the same has been reclassified as ROU asset. The entire amount being paid in advance there is no lease liability recognised.

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).

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Note No. 28 Earnings per Share

₹ in Million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit / (Loss) after tax attributable to equity holders of the Company (A) (₹ in Million)	(1,208.29)	(1,397.86)
Weighted average number of equity shares used as denominator in calculating basic earnings per share (B)	1,205,008	739,056
Adjustments for calculation of diluted earning per share*:		
- share warrants	-	-
- compulsory convertible preference shares (CCPS)	-	-
Weighted average number of equity shares used as denominator in calculating diluted earnings per share (C)	1,205,008	739,056
Basic earnings per share (₹) (A/B)	(1,002.72)	(1,891.41)
Diluted earnings per share (₹) (A/C)	(1,002.72)	(1,891.41)

* Effect of share warrants and CCPS are not dilutive and hence not considered for the purpose of calculation of Diluted EPS.

Note No. 29 Related Party Transaction:

Nature of Relationship	Name of Related Party
Entity exercising significant influence	Strides Pharma Science Ltd
	Tenshi Life Sciences Pvt Ltd
	GMS Pharma (Singapore) Pte Ltd, (untill 26-03-2021)
	Medella Holdings Pte Ltd (w.e.f 26-03-2021)
Other related parties	Arcolab Pvt Ltd
	Steriscience Pvt Ltd (formerly known as Sovizen Life Sciences Pvt Ltd)
	Tenshi Kaizen Pvt Ltd
	GMS Tenshi Holdings Pte Ltd
	Steriscience Specialities Pvt Ltd
	Biolexis Holding Pte
	Steriscience Pte Limited
	Skanray Healthcare Pvt Ltd
	Karuna Healthcare Pvt Ltd
	Strides Pharma Global Pte Ltd
	GMS Pharma (Singapore) Pte Ltd, (w.e.f 26-03-2021)
Key Management Personnel – Executive Director	Mr. S Raghavendra Rao (w.e.f 01-11-2020)
Key Management Personnel – Director	Mr. Ghiath Munir Reda Sukhtian (until 26-03-2021)
Key Management Personnel – Director	Mr. Faisal Ghiath Munir Sukhtian (until 26-03-2021)
Key Management Personnel – Director	Mr. Deepak Vaidya
Key Management Personnel – Director	Mr. Thampi P M (untill 07-04-2021)
Key Management Personnel – Director	Mr. P R Kannan (untill 07-04-2021)
Key Management Personnel – Director	Mr. Venkat Iyer (untill 07-04-2021)
Key Management Personnel – Director	Mr. Aditya Puri (w.e.f 07-01-2021)
Key Management Personnel – Director	Mr. Arun Kumar Pillai (w.e.f 07-04-2021)
Key Management Personnel – Director	Mr. Ankur Nand Thadani (w.e.f 26-03-2021)
Key Management Personnel – Director	Mr. Mahadevan Narayanamoni (w.e.f 25-03-2021)
Key Management Personnel – CEO	Mr Joe Thomas (until 31-01-2020)
Key Management Personnel – CEO	Mr Roger Lias (w.e.f 01-02-2020 and until 31-03-2021)

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Nature of Transactions	Entities having significant influence over Company		Other related parties		Subsidiary	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations						
Steriscience Pte Limited	21.86	-	-	-	-	-
Steriscience Specialties Pvt Ltd	0.20	-	-	-	-	-
Guarantee Commission considered as borrowing cost						
Strides Pharma Science Ltd	42.13	39.77	-	-	-	-
Support Service charges						
Tenshi Life Sciences Pvt Ltd	12.37	11.48	-	-	-	-
Arcolab Pvt Ltd	-	-	19.40	20.11	-	-
Strides Pharma Science Limited	1.58	-	-	-	-	-
Purchases of Services						
GMS Pharma (Singapore) Pte Ltd	-	1.70	-	-	-	-
Tenshi Life Sciences Pvt Ltd	7.57	10.41	-	-	-	-
Arcolab Pvt Ltd	-	-	4.06	7.19	-	-
Strides Pharma Science Ltd	0.62	27.91	-		-	-
Strides Pharma Global Pte Ltd	-	-	-	0.93	-	-
Advance from / (repaid)						
Skanray Healthcare private limited	-	-	-	11.00	-	-
Skanray Healthcare private limited	-	-	(1.00)	(10.00)	-	-
Steriscience Specialties Pvt Ltd	-	-	432.28	-	-	-
Steriscience Specialties Pvt Ltd	-	-	(420.00)	-	-	-
Tenshi Kaizen Private Limited	-	-	(0.28)	-	-	-
Loans taken/(repaid)						
Strides Pharma Science Ltd	-	(250.00)	-	-	-	-
Sovizen Life Sciences Pvt Ltd	-	-	-	(100.00)	-	-
Skanray Healthcare private limited	-	-	-	-	-	-
Tenshi Life Sciences Pvt Ltd	100.00	500.00	-	-	-	-
Tenshi Life Sciences Pvt Ltd	(400.00)	(200.00)	-	-	-	-
Karuna Healthcare Pvt Ltd	-	-	381.50	-	-	-
Karuna Healthcare Pvt Ltd	-	-	(381.50)	-	-	-
Purchase of IP						
Biolexis Holding Pte	-	-	482.99	-	-	-
Management Cross Charge						
Tenshi Kaizen Pvt Ltd	-	-	-	15.00	-	-
Interest expense on loan taken						
Sovizen Life Sciences Pvt Ltd	-	-	-	0.05	-	-
Tenshi Life Sciences Pvt Ltd	3.29	7.88	-	-	-	-
Karuna Healthcare Pvt Ltd	-	-	1.76	-	-	-
Equity/Preference shares contribution to the Company (including securities premium)						
Strides Pharma Science Ltd	2,394.96	905.04	-	-	-	-
Tenshi Life Sciences Pvt Ltd	0.17	525.38	-	-	-	-
GMS Pharma (Singapore) Pte Ltd	612.80	658.78	-	-	-	-
Medella Holdings Pte Ltd	1,095.05	-	-	-	-	-

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Nature of Transactions	Entities having significant influence over Company		Other related parties		Subsidiary	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Reimbursement of expenses						
Strides Pharma Science Ltd	2.10	25.96	-	-	-	-
Tenshi Life Sciences Pvt Ltd	17.04	15.96	-	-	-	-
Arcolab Pvt Ltd	-	-	4.67	8.80	-	-
Strides Pharma Inc	-	-	4.50	-	-	-
Recovery of expenses						
Strides Pharma Science Ltd	193.67	50.09	-	-	-	-
Arcolab Pvt Ltd	-	-	41.37	-	-	-
Purchase of property, plant and equipment						
Tenshi Kaizen Pvt Ltd	-	-	-	1.44	-	-
Strides Pharma Science Limited	2.93	-	-	-	-	-
Sale of Assets:						
Joe Thomas	-	-	-	-	-	1.39
Employee cost:						
Joe Thomas	-	-	-	-	-	12.43
Roger Lias					35.88	-
Sitting fees paid to directors						
Deepak Vaidya	-	-	-	-	1.30	1.15
P. M Thampi	-	-	-	-	1.30	0.90
Aditya Puri	-	-	-	-	0.20	-
Other Payables					-	-
Strides Pharma Science Ltd	-	135.39	-	-	-	-
Tenshi Life Sciences Pvt Ltd	43.64	12.34	-	-	-	-
Arcolab Pvt Ltd	-	-	0.34	14.53	-	-
Strides Pharma Global Pte Ltd	-	-	-	0.21	-	-
Steriscience Pvt Ltd (formerly known as Sovizen Life Sciences Pvt Ltd)	-	-	-	0.05	-	-
Strides Pharma Inc	-	-	4.50	-	-	-
Steriscience Specialties Pvt Ltd	-	-	12.09	-	-	-
Current borrowing					-	-
Tenshi Life Sciences Pvt Ltd	-	300.00	-	-	-	-
Trade Receivable						
Steriscience Pte Limited	-	-	21.86	-	-	-
Steriscience Specialties Pvt Ltd	-	-	0.20	-	-	-
Advances receivable					-	-
Skanray Healthcare Pvt Ltd	-	-	-	1.00	-	-
Tenshi Kaizen Pvt Ltd	-	-	-	0.28	-	-

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Note No. 30 Financial instruments

30.1 Categories of financial instruments

₹ in Million

Particulars	March 31, 2021	March 31, 2020
Financial assets:		
Measured at fair value through profit or loss (FVTPL)		
(a) Investments	-	-
Measured at amortised cost		
(a) Trade receivables	22.23	0.06
(a) Cash and bank balances	777.69	212.23
(b) Other financial assets at amortised cost	39.64	12.49
Financial liabilities:		
Measured at amortised cost		
(a) Borrowings	3,093.22	3,892.54
(b) Current maturities of non-current borrowings	765.94	849.46
(c) Trade payables	428.24	306.61
(d) Other financial liabilities	258.72	346.46

30.2 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).

30.2.1 Fair value of the Company's financial assets that are measured at fair value on a recurring basis

Investment in mutual funds are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and impts used).

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input (s)
	31-Mar-21	31-Mar-20		
Financial assets:				
Investment in Mutual fund (quoted)	-	-	Level 1	Fair value is determined based on the net asset value published by respective funds.

30.2.2 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, 2021		March 31, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities:				
Borrowings	3,859.16	3,975.75	4,742.00	4,889.99

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30.3 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:

30.3.1 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, 2021		At as March 31, 2020	
	In foreign Currency	In INR	In foreign Currency	In INR
USD	(27.62)	(2,022.14)	(34.75)	(2,629.56)
EUR	(0.37)	(31.82)	(0.44)	(36.09)
AUD	(0.00)	(0.18)	(0.00)	(0.16)
GBP	(0.01)	(0.54)	(0.01)	(0.59)
SGD	(0.06)	(3.17)	(0.00)	(0.21)
AED	(0.00)	(0.01)	(0.01)	(0.12)
CNY	-	-	(0.01)	(0.13)
CAD	-	-	(0.00)	(0.18)
JPY	-	-	(0.08)	(0.25)

30.3.2 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 neglibigle.

₹ in Million

Particulars	Increase / (Decrease) in Profit	
	March 31, 2021	March 31, 2020
Appreciation in the USD	(101.11)	(131.48)
Depreciation in the USD	101.11	131.48
Appreciation in the EUR	(1.59)	(1.80)
Depreciation in the EUR	1.59	1.80

The impact on profit has been arrived at by applying the effects of appreciation / deprecation 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, 2021.

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.

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30.3.3 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 31 March, 2021	As at 31 March, 2020
Fixed-rate instruments		
Financial assets		
Balance with banks held as margin money	104.84	99.44
Balance with banks held in deposit account	-	-
Financial liabilities		
Borrowings from related parties	-	300.00
	104.84	**399.44**
Variable-rate instruments		
Financial liabilities		
Borrowings from bank	3,093.22	3,592.54
	3,093.22	**3,592.54**

Interest rate swap contracts

Under interest rate swap contracts, the Company agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Company to mitigate the risk of cash flow exposures on the variable rate borrowings.

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is the local interbank rate in the currency of the loan. The Company will settle the difference between the fixed and floating interest rate on a net basis.

30.4 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.

30.5 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.

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30.5.1 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.

₹ in Million

Financial Liabilities	Due within (years)						Total	Carrying Amount
	1	1 to 2	2 to 3	3 to 4	4 to 5	beyond 5		
Bank & other borrowings								
- As on March 31, 2021	790.29	878.08	878.08	878.08	488.63	62.59	**3,975.75**	**3,859.16**
- As on March 31, 2020	1,149.46	812.90	862.64	862.64	862.64	339.71	**4,889.99**	**4,742.00**
Interest payable on borrowings								
- As on March 31, 2021	42.19	-	-	-	-	-	**42.19**	**42.19**
- As on March 31, 2020	47.90	-	-	-	-	-	**47.90**	**47.90**
Trade and other payable								
- As on March 31, 2021	644.77	-	-	-	-	-	**644.77**	**644.77**
- As on March 31, 2020	605.17	-	-	-	-	-	**605.17**	**605.17**

Note No. 31 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 year ended 31st March 2021

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 Pvt Ltd	96.09%	12,621.71	100.34%	(1,212.43)	-18.32%	1.76	99.41%	(1,210.67)
Stelis Pte Ltd	3.68%	483.68	0.51%	(6.16)	108.70%	(10.44)	1.36%	(16.60)
Stelis Biopharma LLC	0.23%	30.08	-0.85%	10.29	9.63%	(0.92)	-0.77%	9.36
	100%	**13,135.47**	**100%**	**(1,208.30)**	**100%**	**(9.60)**	**100%**	**(1,217.90)**

As on and for the year ended 31st March 2020

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 Pvt Ltd	99.99%	9,713.88	98.71%	(1,386.02)	100.00%	(6.23)	98.72%	(1,392.25)
Stelis Pte Ltd	0.01%	0.83	1.50%	(18.08)	0.00%	-	1.28%	(18.08)
	100%	**9,714.71**	**100%**	**(1,404.10)**	**100%**	**(6.23)**	**100%**	**(1,410.33)**

Note No. 32 Deferred tax asset:

The Company has significant brought forward tax loss and unabsorbed depreciation, and 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 fixed assets and the written down value of such fixed assets under Income Tax. 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, 2021.

Notes

forming part of the consolidated financial statements

Note No. 33 Segment Reporting:

The Company is engaged in the business of providing biotechnology process development services for healthcare industries. The board of directors of the group are identified as the chief operating decision Maker (CODM). The Company's operates in single operating segment, the reporting disclosures envisaged in Ind AS 108 on operating segments, are not applicable to the group .

However, the geographical information are disclosed below:

Geographical Information

(i) Revenue from operations

₹ in Million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
India	192.04	15.42
Outside India	21.86	-
Total	**213.90**	**15.42**

(ii) Non-current assets*

₹ in Million

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
India	11,551.24	10,480.22
Total	**11,551.24**	**10,480.22**

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

Note No. 34 Code of Social Security

The Code on Social Security, 2020 ('Code') relating to employee benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Note No. 35 Recent pronouncements

On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. The Company is evaluating the effect of the amendments on its financial statements.

Note No. 36 Approval of financial statements

The Company's financial statements are approved for issue by the board of directors on June 5, 2021.

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

Sathya P. Koushik
Partner
Membership Number: 206920

Place: Bengalure
Date: June 4, 2021

For and on behalf of Board of Directors

Deepak Vaidya
Director
DIN: 00337276

Place: Mumbai
Date: June 4, 2021

Arun Kumar Pillai
Director
DIN: 00084845

Place: Ooty
Date: June 4, 2021

Corporate Information

Board of Directors

Aditya Puri - Non-Executive Director & Chairperson

Vineeta Rai - Independent Director

Arun Kumar Pillai - Non-Executive Director

Ankur Nand Thadani - Non-Executive Director

Mahadevan Narayanamoni - Non-Executive Director

PR Kannan - Executive Director & CFO

CEO

Mark W. Womack

CFO

PR Kannan

Statutory Auditors

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

Registered Office

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Ph no: +91 80 6784 0444

Stelis Biopharma

concept, content and design at AICL (hello@aicl.in)

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Bangalore – 560 105,
Karnataka, India.

Stelis cGMP Manufacturing Division (Unit 1)
Plot # 2-D 1, Obadenahalli,
Doddaballapura 3rd phase, Industrial Area,
Doddaballapura Taluk Bangalore Rural
District – 561 203, Karnataka, India.

Stelis Biopharma Pvt. Ltd. (Unit 2)
#68/A, 1st phase,
Bommasandra Industrial area,
Bommasandra, Bengaluru 560 099,
Karnataka, India.