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INDEPENDENT AUDITOR'S REPORT

To The Members of Onesource Specialty Pharma Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Onesource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited) ("the Company"), which comprise the Standalone Balance Sheet as at 31 March 2024, and Standalone the Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Sl. No.	Key Audit Matters	Auditor's responses
1	**Going concern assessment** The Company has recorded a loss amounting to 3,904.02 million for the year ended 31 March 2024.	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

Sl. No.	Key Audit Matters	Auditor's responses
	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 by way of obtaining marketing rights from regulatory authorities and licensing them; - generating increased revenues from CDMO operations; - raising of funds through issue of non-convertible debentures; - infusion of capital by current shareholders to the extent of partly paid shares; and - 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 and when it falls due. The Management has also considered that the majority of the Company's borrowings are backed by the corporate guarantees of Strides Pharma Science Limited ('Strides'), an entity having significant influence over the Company. 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.	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; • 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 financing related underlying documents; • 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; and • 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**	**Our principal audit procedures performed, among other procedures included:**

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Sl. No.	Key Audit Matters	Auditor's responses
	development and assets relating to Unit 1 – Research and Development Unit and Unit 2 - Contract Development and Manufacturing Organization (CDMO) as at 31 March 2024: 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). 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, attainment of profitable operations, • agreeing with the appropriate partner for the developments of product portfolio,	• 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. • 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

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Sl. No.	Key Audit Matters	Auditor's responses
	• meeting or capturing the estimated market share for the product portfolios, • discount rate, and • probabilities applied to the revenues which also factors management's best estimate of possible delay in product development cycle and regulatory approvals.	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 Board's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Management and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

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

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

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for not complying with the requirement of audit trail as stated in (i)(vi) below.

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

    f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.

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

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

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 28 to the standalone financial statements;

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

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

iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 37 to the standalone financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 37 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

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

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that (refer note 41 to the standalone financial statements):

(i) for one accounting software, audit trail was not enabled for certain direct changes to tables at the application level. Accordingly, we are unable to comment on whether there was any instance of the audit trail feature being tampered with.

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(ii) for another accounting software operated by a third party software service provider for maintaining payroll records, based on the independent auditor's system and organisation controls report covering the requirement of audit trail, the software has a feature of recording audit trail (edit log) facility at the application level and the same has operated during the period April 1, 2023 till December 31, 2023 and there were no instance of audit trail feature being tampered with. In the absence of an independent auditor's system and organisation controls report covering the audit trail requirement for the remaining period, we are unable to comment whether the audit trail feature of the said software was enabled and operated post December 31, 2023, for all relevant transactions recorded in the software or whether there was any instance of the audit trail feature been tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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

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

Sandeep
Sandeep Kukreja
(Partner)
Membership Number: 220411
(UDIN: 24220411BKERLA2661)

Place: Bengaluru
Date: 17 May 2024

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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls with reference to standalone financial statements of Onesource Specialty Pharma Limited ("the Company") as at 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to

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permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2024, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sandeep. K

Sandeep Kukreja
(Partner)
Membership Number: 220411
(UDIN: 24220411BKERLA2661)

Place: Bengaluru
Date: 17 May 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

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

(b) Some of the Property, Plant and Equipment, capital work-in-progress and right-of-use assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment, capital work-in-progress and relevant details of right-of-use assets at reasonable intervals having regard to the size of the Company and the nature of its activities. No material discrepancies were noted on such verification.

(c) The Company do not have any immovable properties of freehold land. In respect of immovable properties of buildings that have been taken on lease and disclosed as right of use assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

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

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

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

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

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

(a) The Company has not provided any loans or advances in the nature of loans or stood guarantee or provided security to any other entity during the year, and hence reporting under clause (iii)(a) of the Order is not applicable.

(b) The investments made during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

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

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

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

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

(e) None of the loans or advances in the nature of loans granted by the Company have fallen due during the year.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of making investments. The Company has not granted any loans or provided guarantees or securities during the year.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year ended 31 March 2024.

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

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

a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Income-tax, Sales Tax, Service Tax, Duty of custom, Duty of excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities though there have been slights delays in respect of remittance of Provident Fund and Income-tax dues. We have been informed that the provisions of the Employees' State Insurance Act, 1948 are not applicable to the Company.

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

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

b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on 31 March 2024.

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

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans to bank except towards working capital facilities provided by one of the bankers where the Company had negotiated for extended timelines for repayment. The said working capital loan is fully repaid during the year.

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

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

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

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

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

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

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year ended 31 March 2024.

(b) To the best of our knowledge, no report under sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies

(Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

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

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

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

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

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto 31 December 2023 and the draft of the internal audit reports issued after the balance sheet date covering the period 01 January 2024 to 31 March 2024 for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, during the year ended 31 March 2024 the Company has not entered into any non-cash transactions with its directors or directors of its subsidiaries companies or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

The Group does not have any Core Investment Company (CIC) as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) The Company has incurred cash losses amounting to Rs. 1,678 million during the financial year covered by our audit (excluding write off of inventories and related GST inputs amounting to Rs. 1,211 million which were acquired/spent in earlier years) and Rs. 3,618 million in the immediately preceding financial year.

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

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date (refer note 2.2(b) of the standalone financial statements regarding preparation of financial statements on going concern basis and the rationale for the same). We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Deloitte
Haskins & Sells

(xx) (a) The Company is having net worth of rupees five hundred crore or more during the immediately preceding financial year. Hence, provisions of Section 135 of the Act are applicable to the Company during the year. However, considering that the Company has been incurring losses in the preceding three financial years, no amount is required to be spent by the Company.

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

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

Sandeep. k

Sandeep Kukreja
(Partner)
Membership Number: 220411
(UDIN: 24220411BKERLA2661)

Place: Bengaluru
Date: 17 May 2024

Onesource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited)
Standalone Balance Sheet as at March 31, 2024
CIN: U74140KA2007PLC043095

Rs. in Million

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

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

Sandeep Kukreja
Partner
Membership Number : 220411

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

Place : Bengaluru
Date : May 17, 2024

For and on behalf of Board of Directors

P R Kannan
CFO & Executive Director
DIN : 03435209

Neeraj Sharma
Managing Director
DIN : 09402652

Allada Trisha
Company Secretary
Membership Number : A47635

ONESOURCE SPECIALTY PHARMA LIMITED

Place : Bengaluru
Date : May 17, 2024

Onesource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited)
Standalone Statement of Profit and Loss for the year ended March 31, 2024
CIN: U74140KA2007PLC043095

Rs. in Million

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

See accompanying notes forming part of the Standalone Financial Statements

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

Sandeep Kukreja
Partner
Membership Number : 220411

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

Place : Bengaluru
Date : May 17, 2024

For and on behalf of Board of Directors

P R Kannan
CFO & Executive Director
DIN : 03435209

Neeraj Sharma
Managing Director
DIN : 09402652

Allada Trisha
Company Secretary
Membership Number : A47635

ONESOURCE SPECIALTY PHARMA LIMITED

Place : Bengaluru
Date : May 17, 2024

Onesource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited)
Standalone Statement of Cash Flow for the year ended March 31, 2024
CIN: U74140KA2007PLC043095

Rs. in Million

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
A. Cash flow from operating activities				
Profit / (loss) before tax for the year				
Continuing Operations		(3,649.34)		(4,295.54)
Discontinued Operations		(254.68)		(3,695.58)
Profit / (loss) before tax for the year (including discontinued operations)		**(3,904.02)**		**(7,991.12)**
Adjustments for:				
Depreciation and amortisation	953.80		1,141.01	
Finance costs	1,171.63		1,207.63	
Interest income	(32.65)		(30.32)	
Write-off of Property, Plant and Equipment	-		7.11	
Share based payment expenses	19.56		59.59	
Advance written off	0.73		-	
Gain on termination of lease	(38.66)		(9.03)	
Loss on sale of asset	62.12		-	
Sundry Creditors written off	-		(0.06)	
Gain on disposal of assets / settlement of liabilities attributable to the discontinued operations (net)	(601.62)		-	
Unrealised exchange (gain)/loss (net)	24.99		221.92	
Exceptional Items :				
Provision for inventories (including the inventories of discontinued operations)	1,223.29		1,867.37	
Write-off of GST related balance (including the balances of discontinued operations)	97.65		-	
Write-off related to inventories and other related balances of Akston Project.	-		491.04	
Intangibles under development written-off	-		431.99	
Provision for impairment towards investment in Biolexis Private Limited	381.82		-	
Provision/(reversal of provision) for bad and doubtful debts in Biolexis Pte Ltd	(45.23)		140.79	
Provision/(reversal of provision) for bad and doubtful debts in Biolexis Private Limited	45.15		-	
Provision / (reversal of provision) towards investment in Biolexis Pte Ltd	(381.82)		520.31	
		2,880.76		6,049.35
Operating profit / (loss) before working capital changes		(1,023.26)		(1,941.77)
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Trade receivable	(516.68)		187.86	
Other assets (financial & non-financial)	(277.21)		14.15	
Decrease / (increase) in inventories	(4.03)		(573.49)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(163.63)		150.94	
Other liabilities (financial & non-financial)	894.92		406.04	
		(66.63)		185.50
Net cash used for operating activities				
Income taxes (paid)/refund		-		109.31
Net cash used in operating activities (A)		**(1,089.89)**		**(1,646.96)**
B. Cash flow from investing activities				
Capital expenditure on property, plant and equipments including capital advances	(637.67)		(418.42)	
Proceeds from sale of asset	3.97		-	
Investments in subsidiaries and others	(465.97)		-	
Proceeds from sale of investment	381.83		-	
Proceeds from sale of multimodal facility	5,531.70		-	
Proceeds from / (contribution to) realisation of margin money on repayment of borrowings	610.17		(268.71)	
Investment in fixed deposit	(394.23)		-	
Interest received	30.09		30.32	
Net cash flow from / (used in) investing activities (B)		**5,059.89**		**(656.81)**
C. Cash flow from financing activities				
Proceeds from issue of equity shares	-		5,647.58	
Proceeds from issue of non-convertible debentures and optionally convertible debentures	3,958.00		500.00	
Redemption of non-convertible debentures and optionally convertible debentures	(1,057.50)		-	
Proceeds of short term borrowings - Related party	2,539.59		955.00	
Repayment of short term borrowings - Related party	(2,904.59)		-	
Proceeds of short term borrowings	980.00		78.73	
Proceeds of long-term borrowings	-		28.52	
Repayment of long-term borrowings	(4,282.28)		(3,962.59)	
Repayment of short term borrowings	(1,983.96)		(926.05)	
Lease Payments	(65.63)		(85.10)	
Interest paid	(1,025.83)		(1,052.91)	
Net cash (used in) / flow from financing activities (C)		**(3,842.20)**		**1,183.18**

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

ONESOURCE SPECIALTY PHARMA LIMITED

Onesource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited)
Standalone Statement of Cash Flow for the year ended March 31, 2024
CIN: U74140KA2007PLC043095

Net increase / (decrease) in cash and cash equivalents (A+B+C)		**127.80**		**(1,120.59)**
Cash and cash equivalents at the beginning of the year		94.10		1,214.69
Cash and cash equivalents at the end of the year		**221.90**		**94.10**
Reconciliation of cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet (Refer Note 10A)		63.98		49.10
Liquid Mutual Funds (Refer Note 5)		157.92		45.00
Cash and cash equivalents at the end of the year *		**221.90**		**94.10**
* Cash and cash equivalents comprises:				
Cash on hand		0.03		0.66
Balances with banks				
- in current accounts		63.95		48.44
Liquid Mutual Funds		157.92		45.00
Total		**221.90**		**94.10**

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

See accompanying notes forming part of the Standalone Financial Statements

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

Sandeep Kukreja
Partner
Membership Number : 220411

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS
BENGALURU

Place : Bengaluru
Date : May 17, 2024

For and on behalf of Board of Directors

P R Kannan
CFO & Executive Director
DIN : 03435209

Neeraj Sharma
Managing Director
DIN : 09402652

Allada Trisha
Company Secretary
Membership Number : A47635

Place : Bengaluru
Date : May 17, 2024

ONESOURCE SPECIALTY PHARMA LIMITED

Onesource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited)
Statement of Changes in Equity for the year ended March 31, 2024
CIN: U74140KA2007PLC043095

A. Equity Share Capital

(1) Current reporting year

Rs. in Million

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

(2) Previous reporting year

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

B. Other equity

Rs. in Million

Particulars	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, 2022	**16,401.78**	-	**(6,285.80)**	**10,115.98**
Loss for the year from continuing operations	-	-	(4,295.54)	(4,295.54)
Loss on Discontinuing Operations	-	-	(3,695.58)	(3,695.58)
Premium received on shares issued during the year	5,637.84	-	-	5,637.84
Remeasurements of post employment benefit obligations - Recognised as other comprehensive income	-	59.59	4.75	64.34
Balance as at March 31, 2023	**22,039.62**	**59.59**	**(14,272.17)**	**7,827.04**
Loss for the year from continuing operations	-	-	(3,649.34)	(3,649.34)
Loss on Discontinuing Operations	-	-	(254.68)	(254.68)
Charge for the year	-	19.56	-	19.56
Remeasurements of post employment benefit obligations - Recognised as other comprehensive income	-	-	(5.25)	(5.25)
Balance as at March 31, 2024	**22,039.62**	**79.15**	**(18,181.44)**	**3,937.33**

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

Sandeep Kukreja

Sandeep Kukreja
Partner
Membership Number : 220411

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS
BENGALURU

Place : Bengaluru
Date : May 17, 2024

For and on behalf of Board of Directors

P R Kannan
CFO & Executive Director
DIN : 03435209

Neeraj Sharma
Managing Director
DIN : 09402652

Allada Trisha
Company Secretary
Membership Number : A47635

ONESOURCE SPECIALTY PHARMA LIMITED

Place : Bengaluru
Date : May 17, 2024

Onesource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited)
Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

Note No.

1 **General Information**

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

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

2 **Material accounting policies**

2.1 **Statement of compliance**

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

2.2 **Basis of preparation and presentation**

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 year, as explained in the accounting policies below.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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

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

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

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

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

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

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

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

2.3 **Revenue recognition**

Revenue is measured based on the transaction price (net of variable consideration) allocated to that performance obligation. The Company recognises revenue when it transfers control of a product or service to a customer. Revenue is recognised net of discounts, volume rebates, outgoing sales taxes/ goods and service tax and other indirect taxes.

2.3.1 **Sale of Services**

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

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

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

Sale of goods

Revenue from sale of goods is recognised upon transfer of control to the customer. The point at which control passes depends on the terms set forth in the customer's contract. Generally, the control is transferred upon shipment of the product to the customer or when the product is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the product sold.

The Company recognises a deferred income (contract liability) if consideration has been received before the company transfers the promised goods or services to the customer. Deferred income mainly relates to remaining performance obligations in (partially) unsatisfied long-term contracts or are related to amounts the Company expects to receive for goods and services that have not yet been transferred to customers under existing, 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 Standalone Financial Statements are presented in Indian rupees, which is the functional currency of the Company. Functional currency of an entity is the currency of the primary economic environment in which the entity operates.

2.5 **Foreign currencies transactions and translation**

At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

ONESOURCE SPECIALTY PHARMA LIMITED

Note No.

2.6 Leases

2.6.1 The Company as lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

2.6.2 The Company as lessee

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

(a) the use of an identified asset,

(b) the right to obtain substantially all the economic benefits from use of the identified asset, and

(c) the right to direct the use of the identified asset.

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

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

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

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

2.7 Borrowing costs

Borrowing costs include:

(i) interest expense calculated using the effective interest rate method,

(ii) finance charges in respect of finance leases, and

(iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

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

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

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

2.8 Employee benefits

2.8.1 Short term obligations

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

2.8.2 Retirement benefit costs and termination benefits

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

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

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

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

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

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

2.8.3 Defined contribution plan

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

2.8.4 Compensated absences

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

2.8.5 Share based compensations

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting year, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

2.9 Taxation

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

2.9.1 Current tax

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

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2.9.2 Deferred tax

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

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

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

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

Deferred tax assets includes Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

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

2.9.3 Current and deferred tax

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

2.10 Property, plant and equipment and depreciation

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

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

Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed to be different and are as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.
Dies and punches : 4 years
Certain factory buildings: Lease year of the asset

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

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

2.11 Intangible assets and amortisation

2.11.1 Intangible assets acquired separately

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

2.11.2 Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the year in which it is incurred.
An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

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

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

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

2.11.3 Derecognition of intangible assets

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

2.11.4 Useful lives of intangible assets

Intangible assets are amortised over their estimated useful life on straight line method.
Software Licenses : 3 - 5 years
Marketing and manufacturing rights : 15 years

2.12 Provisions

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

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

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

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2.12.1 Onerous contracts

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

2.12.2 Contingent liabilities

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

2.13 Financial instruments

Investment in subsidiaries

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

Other financial assets and financial liabilities

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

Initial recognition and measurement:

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

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 year, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

Impairment of financial assets:

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

Impairment of investment in subsidiaries:

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

2.15 Inventories

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

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

2.16 Goods and Service Tax Input credit

Goods and Service tax input credit is accounted for in the books in the year in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

2.17 Operating Cycle

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

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2.18 Government Grants

Grants from the Government are recognised when there is reasonable assurance that:
(i) the Company will comply with the conditions attached to them; and
(ii) the grant will be received.
Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the years necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. Government grants related to assets, including nonmonetary grants at fair value, shall be presented in the balance sheet by setting up the grant as deferred income. The grant set up as deferred income is recognised in profit or loss on a systematic basis over the useful life of the asset.

2.19 Exceptional Items

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

2.20 Statement of Cash Flow

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

2.21 Discontinued Operations

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

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

2.22 Segment reporting

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

3 Critical accounting judgements and key sources of estimation uncertainty

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

3.1 Key sources of estimation uncertainty

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

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

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

3.1.2 Recoverability of non-current assets

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

3.1.3 Defined benefit plans (gratuity benefits)

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

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

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

Further details about gratuity obligations are given in note 29

3.1.4 Going Concern

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

3.1.5 Share based compensations

At the end of each reporting year, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

3.1.6 Leases under Ind AS 116

Ind AS 116 requires lessees to determine the lease term as the non-cancellable year of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future years is reassessed to ensure that the lease term reflects the current economic circumstances.

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

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

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Note No. 4A Property, Plant and Equipment

Rs. in Million

Particulars	Gross carrying value					Accumulated depreciation					Net carrying value	
	As at April 01, 2023	Additions	Disposals	Derecognised on disposal of business (refer note 39)	As at March 31, 2024	As at April 01, 2023	Depreciation expense for the year	Eliminated on disposal of assets	Eliminated on disposal of business (refer note 39)	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Leasehold Improvements	1,440.89	4.48	-	233.56	1,211.81	254.55	53.87	-	44.61	263.81	948.00	1,186.34
	(1,428.83)	*(12.31)*	*(0.25)*	-	(1,440.89)	*(168.26)*	*(86.53)*	*(0.24)*	-	(254.55)	*(1,186.34)*	*(1,260.57)*
Plant and Machinery	11,932.32	660.98	78.01	4,895.04	7,620.25	2,073.30	660.96	12.33	648.79	2,073.14	5,547.11	9,859.02
	(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)
Office equipments	124.21	6.77	-	26.37	104.61	73.54	24.36	-	8.60	89.30	15.31	50.67
	(116.98)	*(7.45)*	*(0.22)*	-	(124.21)	*(50.09)*	*(23.66)*	*(0.21)*	-	(73.54)	(50.67)	(66.89)
Computers	164.97	10.50	-	61.25	114.22	80.26	22.72	-	20.23	82.75	31.47	84.71
	(156.41)	*(12.37)*	*(3.81)*	-	(164.97)	*(55.48)*	*(28.33)*	*(3.55)*	-	(80.26)	(84.71)	(100.93)
Furniture and fixtures	110.92	2.58	1.32	32.29	79.89	23.23	9.16	0.91	5.29	26.19	53.70	87.69
	(96.44)	*(17.95)*	*(3.47)*	-	(110.92)	*(15.11)*	*(10.99)*	*(2.87)*	-	(23.23)	(87.69)	(81.33)
Vehicles	1.72	-	-	-	1.72	0.64	0.21	-	-	0.85	0.87	1.08
	(1.72)	-	-	-	(1.72)	*(0.43)*	*(0.21)*	-	-	(0.64)	(1.08)	*(1.29)*
Total	**13,775.03**	**685.31**	**79.33**	**5,248.51**	**9,132.50**	**2,505.52**	**771.28**	**13.24**	**727.52**	**2,536.04**	**6,596.46**	**11,269.51**
Previous year	***(13,168.98)***	***(451.98)***	***(45.93)***	-	***(13,775.03)***	***(1,512.37)***	***(1,025.22)***	***(32.07)***	-	***(2,505.52)***	***(11,269.51)***	***(11,856.61)***

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

Note No. 4B Right of Use Assets

Rs. in Million

Particulars	Gross carrying value					Accumulated depreciation					Net carrying value	
	As at April 01, 2023	Additions	Disposals	Derecognised on disposal of business (refer note 39)	As at March 31, 2024	As at April 01, 2023	Depreciation expense for the year	Eliminated on disposal of assets	Eliminated on disposal of business (refer note 39)	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Land	157.35	34.80	-	-	192.15	8.08	8.03	-	-	16.11	176.04	149.27
	(157.35)	-	-	-	(157.35)	*(6.45)*	*(1.63)*	-	-	(8.08)	*(149.27)*	*(150.90)*
Building	382.71	-	-	*321.75*	60.96	134.75	32.94	-	157.54	10.15	50.81	247.96
	(321.74)	*(60.97)*	-	-	(382.71)	*(63.26)*	*(71.49)*	-	-	(134.75)	*(247.96)*	*(258.48)*
Plant and Machinery	4.31	-	-	-	4.31	2.46	0.86	-	-	3.32	0.99	1.85
	(4.31)	-	-	-	(4.31)	*(1.60)*	*(0.86)*	-	-	(2.46)	*(1.85)*	*(2.71)*
Total	***544.37***	***34.80***	-	***321.75***	***257.42***	***145.29***	***41.83***	-	***157.54***	***29.58***	***227.84***	***399.08***
Previous year	***(483.40)***	***(60.97)***	-	-	***(544.37)***	***(71.31)***	***(73.98)***	-	-	***(145.29)***	***(399.08)***	***(412.09)***

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

Note No. 4C Capital Work in Progress

Rs. in Million

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

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

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

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

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Note No. 4D Other Intangible Assets

Rs. in Million

Particulars	Gross carrying value					Accumulated amortisation					Net carrying value	
	As at April 01, 2023	Additions	Disposals	Derecognised on disposal of business (refer note 39)	As at March 31, 2024	As at April 01, 2023	Amortisation expense for the year	Eliminated on disposal of assets	Eliminated on disposal of business (refer note 39)	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Software licenses	75.74	1.45	-	6.17	71.02	33.92	11.96	-	2.27	43.61	27.41	41.82
	(62.80)	*(12.94)*	-	-	(75.74)	*(19.97)*	*(13.95)*	-	-	(33.92)	(41.82)	*(42.53)*
Marketing and manufacturing rights	1,930.72	-	-	-	1,930.72	27.86	128.71	-	-	156.57	1,774.15	*1,902.86*
	-	*(1,930.72)*	-	-	(1,930.72)	-	*(27.86)*	-	-	(27.86)	(1,902.86)	-
Total	**2,006.46**	**1.45**	-	**6.17**	**2,001.74**	**61.78**	**140.67**	-	**2.27**	**200.18**	**1,801.56**	**1,944.68**
Previous year	***(62.80)***	***(1,943.66)***	-	-	***(2,006.46)***	***(19.97)***	***(41.81)***	-	-	***(61.78)***	***(1,944.68)***	***(42.53)***

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

Note No. 4E Intangible assets under development

Rs. in Million

Particulars	As at March 31, 2024	As at March 31, 2023
Intangible assets under development	1,452.90	1,432.38
Total	**1,452.90**	**1,432.38**

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

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

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

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

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

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

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

Determination of value in use involves significant estimates and assumptions that affect the reporting CGU's expected future cash flows. These estimates and assumptions, primarily include, but are not limited to:
- obtaining adequate financing to fulfil the Company's development and commercial activities,
- the risks associated with development and obtaining regulatory approvals of the Company's products,
- generation of revenues in due course from the product portfolio and contract manufacturing,
- attainment of profitable operations,
- agreeing with the appropriate partner for the developments of product portfolio,
- meeting or capturing the estimated market share for the product portfolios and
- discount factors

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

Further, the percentage movement in key assumptions that (individually) would be required to reach the point at which the value in use approximates its carrying value is given below:
- Increase in discount rate by 16.88 % (December 31, 2022: 15.37%)
- Increase in discount rate by 16.08% and nil terminal growth rate (December 31, 2022: 13.36%)

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

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5 Investments

Rs. in Million

Particulars	As at March 31, 2024			As at March 31, 2023		
	Qty	Amount		Qty	Amount	
		Current	Non Current		Current	Non Current
Investment carried at cost:						
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
Biolexis Private Limited	50,00,000	-	50.00	10,000	-	0.10
Less : Provision for Impairment*	-	-	(48.82)	-	-	(516.59)
Redeemable Preference shares, unquoted						
Biolexis Pte Ltd [Redeemable Preference shares of USD 1 each fully paid up]*	-	-	-	50,000	-	3.72
Less : Provision for Impairment*	-	-	-	-	-	(3.72)
OCD (Optionally Convertible Debentures)#						
Biolexis Private Limited	-	-	333.00	-	-	-
Less : Provision for Impairment**	-	-	(333.00)	-	-	-
Total [A]	**50,00,000**	**-**	**1.18**	**46,50,001**	**-**	**0.10**
Other Investments (carried at fair value through profit and loss)						
Equity shares, unquoted						
AMP Energy C&I Private Limited @	3,79,100	-	3.79	-	-	-
Compulsory Convertible Debentures						
AMP Energy C&I Private Limited @	34,119	-	34.12	-	-	-
Total [B]	**4,13,219**	**-**	**37.91**	**-**	**-**	**-**
Investments carried at fair value:						
Mutual Funds, quoted						
SBI Overnight Fund Direct Growth @@	-	-	-	12,333	45.00	-
SBI Magnum Ultra Short Duration Fund Direct Growth @@	28,495	157.92	-	-	-	-
Total [C]	**28,495**	**157.92**	**-**	**12,333**	**45.00**	**-**
Total [A+B+C]	**54,41,714**	**157.92**	**39.09**	**46,62,334**	**45.00**	**0.10**
Aggregate amount of quoted investments	28,495	157.92	-	12,333	45.00	-
Aggregate amount of market value of investments	28,495	157.92	-	12,333	45.00	-
Aggregate amount of unquoted investments	54,13,219	-	39.09	46,50,001	-	0.10
Aggregate amount of impairment in value of investments	-	-	381.82	-	-	520.31

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

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

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

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

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

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

6 Financial asset - Security Deposits

Rs. in Million

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

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

7 Other assets

Rs. in Million

Particulars	As at March 31, 2024		As at March 31, 2023	
	Current	Non- Current	Current	Non- Current
Unsecured, considered good:				
- Capital advances	-	183.52	-	112.85
- Balances with government authorities				
- VAT/CST refund receivable	-	-	-	12.74
- GST credit & other receivable	-	543.75	-	594.15
- TDS receivable	137.33	-	25.29	-
- Advances to vendors	115.06	-	33.13	-
- Advances to employees	4.33	-	1.75	-
- Prepaid expenses	30.65	7.99	10.36	24.21
Unsecured, considered doubtful:				
- Advances to vendors	144.01	-	144.01	-
- Less : Allowance for doubtful advances	(144.01)	-	(144.01)	-
	-	-	-	-
- Receivable from related parties	-	45.14	-	-
- Less : Provision for loss allowance	-	(45.14)	-	-
	-	-		-
Total	**287.37**	**735.26**	**70.53**	**743.95**

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8 Inventories

Rs. in Million

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

Inventories procured to manufacture Sputnik Light Vaccine

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

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

9A Trade receivables

Rs. in Million

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

*Includes receivables from related parties (refer note 32)

Movement in provision for loss allowance is as follows:

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

Particulars	Not Due	Outstanding for following periods from due date of payment					As at March 31, 2024
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables -considered good	403.92	77.91	59.53	6.48	6.18	0.03	554.05
(ii) Undisputed Trade Receivables – considered doubtful	-	-	0.12	0.05	95.21	0.21	95.59
	403.92	**77.91**	**59.65**	**6.53**	**101.39**	**0.24**	**649.64**

Particulars	Not Due	Outstanding for following periods from due date of payment					As at March 31, 2023
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables -considered good	22.87	14.10	0.18	0.19	-	0.03	37.37
(ii) Undisputed Trade Receivables – considered doubtful	-	0.12	-	140.66	-	-	140.78
	22.87	**14.22**	**0.18**	**140.85**	-	**0.03**	**178.15**

9B Other financial assets

Rs. in Million

Particulars	As at March 31, 2024		As at March 31, 2023	
	Current	Non- Current	Current	Non- Current
- Receivable towards sale of multimodal facility (refer note 39)				
Considered good	50.00	-	-	-
Considered doubtful	50.00	-	-	-
	100.00	-	-	-
Provision for doubtful debts	(50.00)	-	-	-
Total	**50.00**	-	-	-

10A Cash and cash equivalents

Rs. in Million

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

10B Other balances with banks

Rs. in Million

Particulars	As at March 31, 2024	As at March 31, 2023
Balance held as margin money		
- against borrowing facilities with banks	538.56	748.53
Total	**538.56**	**748.53**

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12 Non-current borrowings

Rs. in Million

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

Note 1

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

Rs. in Million

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

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

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

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

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

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

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Onesource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited)
Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note -1

Rs. in Million

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

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

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

ONESOURCE SPECIALTY PHARMA LIMITED

13 Lease liabilities

Rs. in Million

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

14 Provisions

Rs. in Million

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

15 Current Borrowings

Rs. in Million

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

16 Trade payables

Rs. in Million

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

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				As at March 31, 2024
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	7.29	101.54	26.04	9.59	-	144.46
(ii) Others	127.71	61.52	186.34	96.86	132.22	60.28	664.93
	127.71	**68.81**	**287.88**	**122.90**	**141.81**	**60.28**	**809.39**

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

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

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

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

17 Other financial liabilities

Rs. in Million

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

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

18 Other liabilities

Rs. in Million

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

DELOITTE HASKINS & SELLS
CHARTERED ACCOUNTANTS
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ONESOURCE SPECIALTY PHARMA LIMITED

11A Equity Share Capital

Rs. in Million

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

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

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

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

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

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

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

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

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

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

ONESOURCE SPECIALTY PHARMA LIMITED

11B Other equity

Particulars	Note no.	As at March 31, 2024	As at Mar 31, 2023
Reserves and Surplus	A	3,937.33	7,827.04
Total		**3,937.33**	**7,827.04**

Particulars	As at March 31, 2024	As at Mar 31, 2023
(A) Reserves and surplus		
(i) Security premium account		
Opening balance	22,039.62	16,401.78
Add: Premium on equity shares issued during the year	-	5,637.84
Closing balance	**22,039.62**	**22,039.62**
(ii) Retained earnings		
Opening balance	(14,272.17)	(6,285.80)
Add: Profit/(Loss) for the year	(3,649.34)	(4,295.54)
Add: Loss from discontinuing Operations for the year	(254.68)	(3,695.58)
Add: Remeasurements of post employment benefit obligations - Recognised as other comprehensive income	(5.25)	4.75
Closing balance	**(18,181.44)**	**(14,272.17)**
(iii) Share based payment reserve		
Opening balance	59.59	-
Add: Charge for the year	19.56	59.59
Less: Transfer to securities premium on account of exercise	-	-
Closing balance	**79.15**	**59.59**
Total Reserves and Surplus (A)	**3,937.33**	**7,827.04**

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.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

ONESOURCE SPECIALTY PHARMA LIMITED

Note 12A:

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

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

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

DELOITTE HASKINS & SELLS * BENGALURU * CHARTERED ACCOUNTANTS

ONESOURCE SPECIALTY PHARMA LIMITED

Onesource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited)
Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

Note No.

19 Revenue from operations

Rs. in Million

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

19.1 Disaggregated revenue information

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

Revenues by Geography

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

Geographical revenue is allocated based on the location of the customers

19.2 Contract balances

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

* Trade receivables are non-interest bearing.

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

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

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

20 Other income

Rs. in Million

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

21 Consumables

Rs. in Million

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

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

ONESOURCE SPECIALTY PHARMA LIMITED

Note No.

22 **Employee benefit expenses**

Rs. in Million

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

23 **Finance costs**

Rs. in Million

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

24 **Depreciation and amortisation expenses**

Rs. in Million

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

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

ONESOURCE SPECIALTY PHARMA LIMITED

Onesource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited)
Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

Note No.

25 **Other Expenses**

Rs. in Million

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
Power & Fuel	201.30	200.85
Rates and taxes	90.78	8.78
Rent	26.85	10.84
Insurance	44.88	52.22
Repairs and maintenance:		
- Machinery	50.47	37.36
- Others	96.47	94.96
Manpower service	26.02	35.57
Housekeeping service	42.86	48.39
Freight and forwarding	3.98	82.89
Business promotion	5.04	10.44
Travelling and conveyance	9.09	11.52
Exchange fluctuation loss (net)	5.61	91.63
Printing and stationery	6.38	6.52
Communication	8.30	7.84
Security Charges	10.63	10.99
Office expense	1.02	2.09
Write-off of Property, Plant and Equipment	-	7.11
Loss on sale of asset	58.08	-
Boarding and lodging	2.38	8.73
Support service charges	229.63	127.94
Legal and professional fees	152.03	168.18
Auditors remuneration (refer note (i) below)	12.36	4.03
Regulatory charges	2.55	3.24
Gardening Charges	-	0.11
Water Charges	2.94	4.61
Gas Charges	1.30	-
Advance written off	0.73	5.26
Miscellaneous expenses	3.97	7.72
Total	**1,095.65**	**1,049.82**

Note

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

Rs. in Million

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
Audit of standalone and consolidated financial statements (including quarterly limited reviews)	3.75	3.75
Audit / review of special purpose financial information	4.75	-
Other certification services	3.50	0.12
Reimbursement of expenses	0.36	0.16
Total	**12.36**	**4.03**

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

ONESOURCE SPECIALTY PHARMA LIMITED

Note No.

26 Exceptional items gain / (loss) (net)

Rs. in Million

Particulars	Year ended 31-Mar-24	Year ended 31-Mar-23
Provision related to Inventories (including GST inputs credits thereon) (refer note (i) below)	1,159.42	-
Write-off related to Inventories and other related balances of Akston Project (refer note (ii) below)	-	491.05
Intangibles under development written-off (refer note (iii) below)	-	431.99
Provision for impairment towards investment in Biolexis Private Limited (refer note 5)	381.82	-
Provision/ (reversal of provision) for bad & doubtful debts in Biolexis Pte Ltd (refer note (iv) below)	(45.23)	140.78
Provision/ (reversal of provision) for bad & doubtful debts in Biolexis Private Ltd (refer note (iv) below)	45.15	-
Provision / (reversal of provision) towards investment in Biolexis Pte Ltd (refer note 5)	(381.82)	520.31
Total	**1,159.34**	**1,584.13**

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

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

Note (ii):
The Company and Akston Biosciences Corporation entered into the License and Manufacturing Agreement dated October 20, 2021 to develop AKS-452 vaccine. During the previous year, the Company and Akston Bioscience Corporation entered into termination agreement whereby all the licenses granted to the Company are revoked and the Company does not have the right or obligation to commercialize the licensed product. Pursuant to such termination, the Company debited exceptional items of Rs. 491.05 million towards following:
- Write off of Intangibles under development relating to Akston amounting to Rs 200.59 million
- Write off Akston inventories amounting to Rs. 146.48 million and
- Allowance for doubtful advances given to Akston Bioscience Corporation Rs. 143.98 million.

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

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

27 The Company's Contract Development and Manufacturing (CDMO) unit is set up as Export Oriented Unit (EOU) under Foreign Trade Policy 2015-20. Pursuant to this, the CDMO unit is required to be positive cumulative net foreign exchange earner within a period of five years from the commencement of production (i.e., within September 03, 2024). The management of the Company is confident of achieving the positive cumulative net foreign exchange position within the prescribed timelines.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

ONESOURCE SPECIALTY PHARMA LIMITED

Note No.

28 Contingent Liabilities and Capital Commitments (To the extent not provided for)

Rs. in Million

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

Rs. in Million

Particulars	As at March 31, 2024	As at March 31, 2023
Claims not acknowledged as debts by the Company	-	233.14
Total	**-**	**233.14**

(a) During the previous year, the Company had received claim from vendor amounting to Rs. 227.62 million towards pending take off of Sputnik related inventories by the Company. During the current year, pursuant to the settlement agreement date March 11, 2024, the parties have agreed for Rs. 110 million and the same is paid by the Company.

(b) During the previous year, the Company had received claim from vendor amounting to Rs. 30.75 million towards pending payments against the purchase of materials from the vendor. The Company had accepted the claim to extent of Rs 25.23 million and the remaining amount of Rs. 5.52 million was not acknowledged as debt by the company. During the year, the said vendor has agreed the claim amount for Rs. 25.23 million and the same is paid by the Company.

29 Employee Benefits Plans

Defined contribution plan

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

Defined benefit plan

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

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

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

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

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

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

Rs. in Million

Particulars	As at March 31, 2024	As at March 31, 2023
Service cost:		
Current service cost	7.53	8.83
Net interest expense	1.66	1.41
Components of defined benefit costs recognised in statement of profit and loss	**9.19**	**10.24**
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	0.20	(1.12)
Actuarial (gains) / losses arising from experience adjustments	5.05	(3.63)
Components of defined benefit costs recognised in other comprehensive income	**5.25**	**(4.75)**
Total	**14.44**	**5.49**

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

The above amounts are of including the discontinued operations.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

ONESOURCE SPECIALTY PHARMA LIMITED

Onesource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited)
Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

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

Rs. in Million

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

Movements in the fair value of plan assets:

Rs. in Million

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

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

Rs. in Million

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

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

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	Year ended March 31, 2024	100bps	(1.49)	1.62
	Year ended March 2023	100bps	(1.15)	1.27
Salary growth rate	Year ended March 31, 2024	100bps	1.35	(1.31)
	Year ended March 2023	100bps	1.14	(1.07)

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

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

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.
There has been no change in the process used by the Company to manage its risks from prior periods.

Expected future Cash outflows towards the plan are as follows-

Rs. in Million

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

The Company provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service years. During the year ended March 31, 2024, the Company has incurred an expense on compensated absences amounting to 18.10 million (March 31, 2023 : Rs. 18.45 million). The Company determines the expense for compensated absences basis the actuarial valuation of the present value of the obligation, using the Projected Unit Credit Method.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

ONESOURCE SPECIALTY PHARMA LIMITED

Note No.

30 **Leases**

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

Movement in lease liabilities during the period/year:

Lease liabilities

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

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

Note

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

31 **Loss per Share**

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

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

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

ONESOURCE SPECIALTY PHARMA LIMITED

Note No.

32 **Related Party Listing and Balances:**

Nature of Relationship	Name of Related Party
Entity exercising significant influence	Strides Pharma Science Limited Tenshi Pharmaceuticals Private Limited Medella Holdings Pte Ltd
Subsidiary / Step-down subsidiary	Biolexis Pte Ltd (formally known as Stelis Pte Ltd) Stelis Pte Limited (w.e.f June 30, 2023) Stelis BioPharma UK Private Limited (w.e.f November 30, 2022) Biolexis Private Limited
Enterprises owned or significantly influenced by directors, key management personnel and their relatives	Arcolab Private Limited Naari Pharma Private Limited Chayadeep Properties Private Limited Steriscience Pte Limited Solara Active Pharma Sciences Limited Strides Pharma Inc Strides Pharma Science Pty Limited Strides Pharma UK Ltd Fairmed Healtcare GmbH Strides Pharma (Cyprus) Limited
Key Management Personnel – Chairman and Non - Executive Director	Aditya Puri (upto March 29, 2023)
Key Management Personnel – Managing Director	Neeraj Sharma (w.e.f March 01, 2024)
Key Management Personnel – Non - Executive Director	Arun Kumar Pillai
Key Management Personnel – Chairman & Non - Executive Director	Aditya Puri (upto March 29, 2023)
Key Management Personnel – CFO & Executive Director	Kannan Radhakrishnan Padmeode
Key Management Personnel – Non - Executive Director	Ankur Nand Thadani (upto August 16, 2023)
Key Management Personnel – Non - Executive Director	Mahadevan Narayanamoni
Key Management Personnel – Non - Executive Director	Bhushan Bopardikar (w.e.f August 14, 2023)
Key Management Personnel – Non - Executive Director	Yogita Hatangadi (w.e.f May 04, 2023 and upto January 16, 2024)
Key Management Personnel – Independent Director	Gopakumar Gopalan Nair (w.e.f May 04, 2023)
Key Management Personnel – Independent Director	Rajashri Ojha (w.e.f May 04, 2023)
Key Management Personnel – Independent Director	A.K Viswanathan (upto Mar 29th, 2023)
Key Management Personnel – Independent Director	Vineeta Rai (upto Mar 14th, 2023)
Key Management Personnel – Company Secretary	Puja Aggarwal (Upto April 10, 2023)
Key Management Personnel – Company Secretary	Allada Trisha (w.e.f April 10, 2023)

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

Nature of Balances	Entities having significant influence over Company		Other related parties		Key Managerial Personnel		Subsidiary / Step-down subsidiary	
	Period ended March 31, 2024	Year ended March 31, 2023	Period ended March 31, 2024	Year ended March 31, 2023	Period ended March 31, 2024	Year ended March 31, 2023	Period ended March 31, 2024	Year ended March 31, 2023
Revenue from operations								
Sale of Material								
Strides Pharma Science Limited	-	0.14	-	-	-	-	-	-
Sale of services								
Strides Pharma Science Limited	-	5.46	-	-	-	-	-	-
Steriscience Pte Limited	-	-	93.41	5.85	-	-	-	-
Sale of services - Passthrough								
Steriscience Pte Limited	-	-	42.14	32.54	-	-	-	-
Steriscience Specialties Private Ltd	-	-	0.41	15.81	-	-	-	-
Sale of Asset								
Strides Pharma Science Limited	6.64	-	-	-	-	-	-	-
Guarantee Commission considered as borrowing cost								
Strides Pharma Science Limited	48.78	59.49	-	-	-	-	-	-
Steriscience Specialties Private Ltd	-	-	0.10	-	-	-	-	-
Tenshi Pharmaceuticals Private Limited	0.13							
Support Service charges								
Strides Pharma Science Limited	56.03	-	-	-	-	-	-	-
Tenshi Pharmaceuticals Private Limited	1.49	8.01	-	-	-	-	-	-
Arcolab Private Ltd	-	-	170.51	130.06	-	-	-	-
Steriscience Specialties Private Ltd	-	-	39.00	-	-	-	-	-

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

ONESOURCE SPECIALTY PHARMA LIMITED

Note No.

Rental expenses								
Arcolab Private Limited	-	-	-	0.09	-	-	-	-
Chayadeep Properties Private Limited	-	-	6.24	5.89	-	-	-	-
Purchase of Material/Services								
Strides Pharma Science Limited	36.89	-	-	-	-		-	-
Steriscience Specialties Private Ltd	-	-	0.83	0.61	-	-	-	-
Solara Active Pharma Sciences Limited	-	-	0.59	0.49	-	-	-	-
Advance given / (repaid)								
Chayadeep Properties Private Limited	-	-	-	103.50	-	-	-	-
Chayadeep Properties Private Limited	-	-	-	(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	-	-	707.59	36.00	-	-	-	-
Arcolab Private Limited	-	-	(207.59)	(36.00)	-	-	-	-
Tenshi Pharmaceuticals Private Limited	1,832.00	975.00	-	-	-	-	-	-
Tenshi Pharmaceuticals Private Limited	(2,697.00)	(20.00)	-	-	-	-	-	-
Conversion of Loan to Redeemable Preference share								
Biolexis Pte Ltd	-	-	-	-	-	-	-	3.72
Interest expense on loan taken/(repaid)								
Arcolab Private Limited	-	-	59.46	0.42	-	-	-	-
Tenshi Pharmaceuticals Private Limited	113.17	2.49	-	-	-	-	-	-
Equity/Preference shares contribution to the Company (including securities premium)								
Strides Pharma Science Limited	-	-	-	-	-	-	-	-
Tenshi Pharmaceuticals Private Limited	-	236.54	-	-	-	-	-	-
Arcolab Private Limited	-	-	-	970.09	-	-	-	-
Medella Holdings Pte Ltd	-	800.00	-	-	-	-	-	-
Karuna Business Solutions LLP	-	-	-	3,640.96	-	-	-	-
Reimbursement of expenses								
Strides Pharma Science Limited	0.23	10.61	-	-	-	-	-	-
Tenshi Pharmaceuticals Private Limited	9.30	6.15	-	-	-	-	-	-
Arcolab Private Ltd	-	-	8.71	4.18	-	-	-	-
Biolexis Pte Ltd	-	-	-	-	-	-	-	0.80
Biolexis Private Limited	-	-	-	-	-	-	1.61	-
Strides Pharma Inc	-	-	21.51	33.21	-	-	-	-
Strides Pharma Science Pty Limited	-	-	-	9.21	-	-	-	-
Strides Pharma Uk Ltd	-	-	1.44	8.27	-	-	-	-
Strides Pharma (Cyprus) Limited	-	-	5.58	4.24	-	-	-	-
Fairmed Healthcare GmbH	-	-	2.10	-	-	-	-	-
Investments In Subsidiaries								
Biolexis Pte Ltd	-	-	-	-	-	-	45.14	-
Biolexis Private Limited	-	-	-	-	-	-	382.90	-
Provision/ (reversal) for doubtful debts								
Biolexis Pte Limited	-	-	-	-	-	-	-	140.78
Provision/ (reversal) for Impairment - Investments In Subsidiaries								
Biolexis Pte Limited	-	-	-	-	-	-	(381.83)	516.59
Biolexis Private Limited	-	-	-	-	-	-	381.83	-

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

ONESOURCE SPECIALTY PHARMA LIMITED

Note No.

Security Deposits								
Arcolab Private Limited	-	-	-	0.09	-	-	-	-
Chayadeep Properties Private Limited	-	-	-	4.42	-	-	-	-
Purchase of property, plant and equipment								
Strides Pharma Science Limited	-	0.97	-	-	-	-	-	-
Arcolab Private Limited	-	-	-	0.06	-	-	-	-
Employee cost:								
Kannan Radhakrishnan Pudhucode	-	-	-	-	21.46	22.48	-	-
Neeraj Sharma	-	-	-	-	2.67	-	-	-
Puja Aggarwal	-	-	-	-	-	3.68	-	-
Allada Trisha	-	-	-	-	1.64	1.10	-	-
Sitting fees paid to directors								
Aditya Puri	-	-	-	-	0.20	1.20	-	-
Vineeta Rai	-	-	-	-	0.10	1.60	-	-
Viswanathan AK	-	-	-	-	0.20	1.60	-	-
Rajashri Ojha	-	-	-	-	3.20	-	-	-
Gopakumar Nair	-	-	-	-	3.60	-	-	-

Closing Balance — Rs. in Million

Nature of Balances	Entities having significant influence over		Other related parties		Key Managerial Personnel		Subsidiary	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Other Payables								
Strides Pharma Science Limited	143.34	52.20	-	-	-	-	-	-
Tenshi Pharmaceuticals Private Limited	118.18	7.66	-	-	-	-	-	-
Arcolab Private Ltd	-	-	183.78	65.21	-	-	-	-
Naari Pharma Private Limited	-	-	0.00	0.00	-	-	-	-
Chayadeep Properties Private Limited	-	-	0.61	0.53	-	-	-	-
Strides Pharma Inc	-	-	31.16	41.38	-	-	-	-
Steriscience Specialties Private Ltd	-	-	43.99	3.35	-	-	-	-
Strides Pharma Science Pty Limited	-	-	6.22	9.21	-	-	-	-
Strides Pharma Uk Ltd	-	-	-	1.26	-	-	-	-
Strides Pharma (Cyprus) Limited	-	-	4.24	4.24	-	-	-	-
Solara Active Pharma Sciences Limited	-	-	0.84	0.24	-	-	-	-
Fairmed Healthcare GmbH	-	-	2.10	-	-	-	-	-
Biolexis Pte Ltd	-	-	-	-	-	-	0.80	-
Investments								
Biolexis Private Limited - Investment amount	-	-	-	-	-	-	383.00	0.10
Provision for investment	-	-	-	-	-		(381.82)	-
Biolexis Pte Ltd - Investment amount	-	-	-	-	-	-	-	520.31
Provision for investment	-	-	-	-	-		-	(520.31)
Security Deposits								
Arcolab Private Limited	-	-	0.09	0.09	-	-	-	-
Chayadeep Properties Private Limited	-	-	4.42	4.42	-	-	-	-
Loan payable								
Tenshi Pharmaceuticals Private Limited	90.00	955.00	-	-	-	-	-	-
Arcolab Private Limited	-	-	500.00	-	-	-	-	-
Trade receivables								
Biolexis Pte Ltd	-	-	-	-	-	-	97.04	-
Biolexis Private Limited	-	-	-	-	-	-	46.76	-
Strides Pharma Science Limited	6.18	0.17	-	-	-	-	-	-
Steriscience Pte Limited	-	-	113.44	0.17	-	-	-	-
Steriscience Specialties Private Ltd	-	-	-	2.35	-	-	-	-
Advance from customers								
Steriscience Pte Limited	-	-	12.14	-	-	-	-	-

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

ONESOURCE SPECIALTY PHARMA LIMITED

Note No.

33 Financial instruments

33.1 Categories of financial instruments

Rs. in Million

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

33.2 Fair value measurements

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

Fair value hierarchy

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

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

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

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

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

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

Rs. in Million

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

33.3 Financial risk management objectives

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

33.3.1 Foreign currency risk management

The Company is exposed to foreign exchange risk due to:

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

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

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS BENGALURU

ONESOURCE SPECIALTY PHARMA LIMITED

Note No.

Rs. in Million

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

Foreign currencies are in millions

33.3.2 Foreign currency sensitivity analysis

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

Rs. in Million

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

The impact on profit has been arrived at by applying the effects of appreciation / 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, 2024

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

33.3.3 Interest rate risk management

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

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

Rs. in Million

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

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ONESOURCE SPECIALTY PHARMA LIMITED

Note No.

33.4 Credit risk management

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

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

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

33.5 Liquidity risk management

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

33.5.1 Liquidity analysis for Non-Derivative Liabilities

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

Rs. 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, 2024	3,354.18	1,446.24	894.81	-	-	-	**5,695.23**	**5,616.30**
- As on March 31, 2023	5,552.26	1,765.36	905.10	204.23	-	-	**8,426.95**	**8,366.91**
Interest payable on borrowings								
- As on March 31, 2024	104.29	-	-	-	-	-	**104.29**	**104.29**
- As on March 31, 2023	28.07	-	-	-	-	-	**28.07**	**28.07**
Lease Liabilities								
- As on March 31, 2024	13.88	14.64	15.44	16.29	11.16	49.92	**121.33**	**90.09**
- As on March 31, 2023	85.82	98.80	98.09	7.43	7.88	58.27	**356.29**	**275.29**
Trade and other payable								
- As on March 31, 2024	2,258.99	-	-	-	-	-	**2,258.99**	**2,258.99**
- As on March 31, 2023	2,870.41	-	-	-	-	-	**2,870.41**	**2,870.41**

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Note No.

34 Deferred tax asset :

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

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

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

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

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

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

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

(i) Revenue from operations

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

(ii) Profit or loss before tax

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

(iii) Non-current assets*

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

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

Geographical Information

(i) Revenue from continuing operations

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

(ii) Revenue from discontinued operations

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

(ii) Non-current assets*

Particulars	As at March 31, 2024	As at March 31, 2023
India	11,241.37	17,701.91
Total	11,241.37	17,701.91

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

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.

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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, 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.

38 Details of the employee share option plan of the Company:

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

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

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

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

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

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

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

(Options in numbers)

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

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

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

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

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

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

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Note No.

39 Discontinued Operations

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

The transaction is completed during the current year.

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

Gain on disposal

Particulars	**Amount**
Consideration received (net of provision of Rs. 50 million)*	6,111.41
Net assets disposed off	5,509.79
Gain on disposal	**601.62**

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

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Note No	Ratio Analysis	As at March 31, 2024	As at March 31, 2023	Change	Ratios have a variance of >25% due to
40	**Current Ratio** - *in times* (A) / (B)	0.28	0.26	6%	Variance <25% and hence not applicable
	Current Assets (A)	1,764.19	2,282.10		
	Current Liabilities (B)	6,285.23	8,635.87		
	Current Assets is defined as Inventories, Trade receivables, Cash and cash equivalents, Other bank balances, Current loans, Other current financial assets and Other current assets				
	Current Liabilities is defined as Current borrowings, Current lease liabilities, Trade payables, Other current financial liabilities, Current provisions, Current tax liabilities and Other current liabilities				
	Debt-Equity Ratio - *in times* (C) / (D)	1.43	1.10	31%	The Company is in losses and hence the ratio has increased.
	Debt including lease liabilities(C)	5,706.39	8,642.20		
	Equity (D)	3,977.43	7,867.14		
	Debt is defined as non-current borrowings, current borrowings and lease liability (current and non-current).				
	Equity is defined as Equity share capital and Other equity.				
	Debt Service Coverage Ratio - *in times* (E) / ((F) + (G))	NA	NA		The Company is in losses and hence the debt service coverage ratio is not applicable
	Earnings before interest, taxes, depreciation and amortisation is defined as:				
	Profit for the period/year before exceptional items and taxes (add) Depreciation and Amortisation (add) Finance costs (less) interest income				
	Debt repayment is defined as actual borrowings repaid and lease payments during the period/year				
	Interest payments is defined as actual interest paid on borrowings and lease liability during the period/year				
	Return on Equity ratio (H) / (I)	-91.75%	-101.58%	-10%	Variance <25% and hence not applicable
	Net profit (H)	(3,649.34)	(7,991.12)		
	Equity (I)	3,977.43	7,867.14		
	Net profit is defined as Profit for the period/year after tax				
	Equity is defined as Equity share capital and Other equity.				
	Inventory turnover ratio (K) / (L)	0.98	0.11	797%	Increase is due to increase in consumption on account of increase in revenues and decrease in the inventory balances due to write-off.
	Cost of goods sold (K)	705.09	215.51		
	Average Inventory (L)	721.94	1,978.51		
	Cost of goods sold is defined as Consumables during the year				
	Average Inventory is defined as average of inventories as at the beginning and as at the end of the period/year.				
	Trade receivables turnover ratio (M) / (N)	5.81	1.92	203%	Increase is due to increase in revenues during the current period.
	Revenue from operations (M)	1,719.19	387.14		
	Average Trade receivables (N)	295.71	201.69		
	Sales Turnover is defined as Sale of products and Sale of services				
	Average Trade receivables is defined as average of Trade receivables as at the beginning and as at the end of the period/year.				
	Trade payables turnover ratio (O) / (P)	0.80	0.27	192%	Increase is due to the increase in the consumption during the current period.
	Cost of goods sold (O)	705.09	215.51		
	Average Trade payables (P)	878.71	785.27		
	Cost of goods sold is defined as Consumables during the year				
	Average Trade payables is defined as average of Trade payables as at the beginning and as at the end of the period/year.				
	Net capital turnover ratio (Q) / (R)	(0.38)	(0.06)	524%	Decrease is due to increase in revenue from operations.
	Sales Turnover (Q)	1,719.19	387.14		
	Working Capital (R)	(4,521.04)	(6,353.77)		
	Net profit ratio (S) / (T)	-207.18%	-1929.38%	-89%	Decrease is due to increase in revenues and decrease in exceptional losses.
	Net profit (S)	(3,649.34)	(7,991.12)		
	Gross Revenue (T)	1,761.44	414.18		

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Return on capital employed (U) / (V) **Return on capital employed (Tangible) (U) / (W)**	**-30.90%**	**-45.45%**	**-32%**	Decrease is due to increase in revenues and decrease in exceptional losses.
Earnings Before Interest and Taxes (U)	(2,992.21)	(7,502.95)		
Capital Employed (V)	9,683.82	16,509.34		
Capital Employed Tangible (W)	9,683.82	16,509.34		
Earnings before interest and taxes is defined as: *Profit for the period/year before exceptional items and taxes (add) Finance costs (less) interest income*				
Capital employed is defined as Equity and Debt *Capital employed Tangible is defined as Equity and Debt less Goodwill*				

41 With effect from 1 April 2023, the Ministry of Corporate Affairs (MCA) has made it mandatory for companies to maintain an audit trail throughout the year for transactions impacting books of accounts.

The Company uses accounting software for maintaining the books of account which has a feature of recording audit trail and has defined process to enable audit trail of books of accounts and has enabled the feature of recording audit trail (edit log) facility except for the following
- in respect of accounting software, audit trail feature was not enabled for certain direct changes to tables at the application level for the period April 1, 2023 to March 31, 2024
- in respect of a software operated by a third party software service provider for maintaining payroll records, independent auditor's system and organisation controls report does not cover audit trail related reporting for the period from January 01, 2024 to March 31, 2024

The Management is of the view that this does not have any impact on its Financials Statements for the year ended March 31, 2024

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

For and on behalf of Board of Directors

P R Kannan
CFO & Executive Director
DIN : 03435209

Place : Bengaluru
Date : May 17, 2024

Neeraj Sharma
Managing Director
DIN : 09402652

Place : Bengaluru
Date : May 17, 2024

Allada Trisha
Company Secretary
Membership Number : A47635

Place : Bengaluru
Date : May 17, 2024

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