Independent Auditor’s Report

To the Members of Syngene Scientific Solutions Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Syngene Scientific Solutions Limited (the “Company”) which comprise the balance sheet as at 31 March 2025, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including 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 financial statements give the information required by the Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

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

The Company’s Management and Board of Directors are responsible for the other information. The other information obtained at the date of this auditor’s report is information included in the Directors' report, but does not include the financial statements and auditor’s report thereon.

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

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

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

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company’s Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (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 of 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 financial statements, the Management and Board of Directors are responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to 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 and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

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

2 A. As required by Section 143(3) of the Act, 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 the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid 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 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 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 are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. 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, in our opinion and to the best of our information and according to the explanations given to us:

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

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

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

d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 35(v) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 35(vi) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 38 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting software for maintaining its books of account, 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:

i. For data changes performed by users having privileged access (debug).

ii. At the application level for certain fields / tables relating to all the significant financial processes.

iii. At the database level the audit trail configuration was enabled on 25 October 2024. Also, for one database user the audit trail logging was enabled on 26 February 2025.

Further, where audit trail (edit log) facility was enabled, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors during the year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

G Prakash
Partner
Membership No.: 099696
ICAI UDIN:25099696BMOOIQ3469

Place: Bengaluru
Date: 22 April 2025

Annexure A to the Independent Auditor's Report on the Financial Statements of Syngene Scientific Solutions Limited for the year ended 31 March 2025

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

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

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, all the property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its contract research and manufacturing services and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities, though there have been slight delays in a few cases of Provident Fund.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not used funds raised on short-term basis for long-term purposes except an amount of INR 2,277 million used for long term purposes from the Optionally Convertible Redeemable Preference Shares issued in the previous year.

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2025. Accordingly, clause 3(ix)(e) is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) The Company is an unlisted public company and a wholly owned subsidiary of a listed public company and accordingly, exempted from constitution of an 'audit committee' as stipulated under Section 177 of the Act read with Rule 4(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

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

(xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

(b) The Company has not transferred the amount remaining unspent in respect of ongoing projects, to a Special Account till the date of our report. However, the time period for such transfer i.e. thirty days from the end of the financial year as permitted under the sub-section (6) of Section 135 of the Act, has not elapsed till the date of our report.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.:101248W/W-100022

G Prakash
Partner
Membership No.: 099696
ICAI UDIN:25099696BMOOIQ3469

Place: Bengaluru
Date: 22 April 2025

Annexure B to the Independent Auditor's Report on the financial statements of Syngene Scientific Solutions Limited for the year ended 31 March 2025

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

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

Opinion

We have audited the internal financial controls with reference to financial statements of Syngene Scientific Solutions Limited ("the Company") as of 31 March 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to 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 financial statements were 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to 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 controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.:101248W/W-100022

G Prakash
Partner
Membership No.: 099696
ICAI UDIN:25099696BMOOIQ3469

Place: Bengaluru
Date: 22 April 2025

Balance Sheet as at 31 march 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

	Note	31 March 2025	31 March 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	3,036	3,190
Capital work-in-progress	3(a)	877	779
Right-of-use assets	3(b)	2,292	2,161
Other intangible assets	4	44	46
Financial assets			
(i) Other financial assets	6(a)	66	60
Income tax assets (net)		-	18
Total non-current assets		6,315	6,254
Current assets			
Inventories	7	52	46
Financial assets			
(i) Investments	5	126	206
(ii) Trade receivables	8	745	396
(iii) Cash and cash equivalents	9(a)	232	177
(iv) Bank balances other than (iii) above	9(b)	-	153
(v) Derivative assets		16	38
(vi) Other financial assets	6(b)	-	3
Other current assets	10	578	411
Total current assets		1,749	1,430
Total assets		8,064	7,684
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11 (a)	840	840
Other equity	11 (b)	849	608
Total equity		1,689	1,448
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	32	2,304	2,033
Deferred tax liability (net)	12	14	90
Provisions	14(a)	28	26
Total non-current liabilities		2,346	2,149
Current liabilities			
Financial liabilities			
(i) Borrowings	13	3,321	3,150
(ii) Lease liabilities	32	242	196
(iii) Trade payables			
Total outstanding dues of micro and small enterprises		46	9
Total outstanding dues of creditors other than micro and small enterprises	15	218	463
(iv) Derivative liabilities		7	1
(v) Other financial liabilities	16	88	138
Provisions	14(b)	51	49
Current tax liabilities (net)		18	-
Other current liabilities	17	38	81
Total current liabilities		4,029	4,087
Total equity and liabilities		8,064	7,684

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

G Prakash
Partner
Membership number: 099696

Bengaluru
Date: 22 April 2025

for **and on behalf of the Board of Directors of Syngene Scientific Solutions Limited**

Deepak Jain
Director
DIN: 03488061

Kenneth Jay Barr
Director
DIN: 10087116

Krishnan G
Chief Financial Officer

Bengaluru
Date: 22 April 2025

Amar Gadagkar
Company Secretary
ACS Number: A59311
Bengaluru
Date: 22 April 2025

Statement of Profit and Loss for the year ended 31 March 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

	Note	Year ended 31 March 2025	Year ended 31 March 2024
Income			
Revenue from operations	18	3,334	3,521
Other income	19	11	25
Total income		3,345	3,546
Expenses			
Cost of chemicals, reagents and consumables consumed	20	641	475
Employee benefits expense	21	812	913
Finance costs	22	219	176
Depreciation and amortisation expense	23	653	570
Other expenses	24	684	837
Foreign exchange fluctuation (gain)/loss, net		5	(4)
Total expenses		3,014	2,967
Profit before tax		330	579
Tax expense			
Current tax		162	223
Other deferred tax		(75)	(39)
Total tax expense		87	184
Profit for the year		244	395
Profit for the year		244	395
Other comprehensive income			
(i) Items that will not be reclassified subsequently to profit or loss			
Re-measurement on defined benefit plans		1	(5)
Income tax effect		-	1
(ii) Items that will be reclassified subsequently to profit or loss			
Effective portion of gains/(losses) on hedging instrument in cash flow hedges		(4)	(2)
Income tax effect		-	-
Other comprehensive income/(loss) for the year, net of taxes		(3)	(6)
Total comprehensive income for the year		241	389
Earnings per equity share			
Basic (in Rs.)	34	2.90	4.70
Diluted (in Rs.)		0.61	0.99

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

G Prakash
Partner
Membership number: 099696

Bengaluru
Date: 22 April 2025

for **and on behalf of the Board of Directors of Syngene Scientific Solutions Limited**

Deepak Jain
Director
DIN: 03488061

Kenneth Jay Barr
Director
DIN: 10087116

Krishnan G
Chief Financial Officer

Bengaluru
Date: 22 April 2025

Amar Gadagkar
Company Secretary
ACS Number: A59311
Bengaluru
Date: 22 April 2025

Statement of Changes in Equity for the year ended 31 march 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

(A) Equity share capital	31 March 2025	31 March 2024
Opening balance	840	210
Changes in equity share capital	-	630
Closing balance	**840**	**840**

(B) Other equity [refer note 12(b)]

	Reserves and surplus	Items of other comprehensive income		
	Retained earnings	Cash flow hedging reserves	Other items of other comprehensive income	Total other equity
Balance as at 1 April 2023	(42)	-	-	(42)
Other comprehensive income, net of tax	-	(2)	(4)	(6)
Profit for the year	395	-	-	395
Total comprehensive income for the year	395	(2)	(4)	389
Impact of purchase of business-Lease transfer	261	-	-	261
Balance as at 31 March 2024	614	(2)	(4)	608
Profit for the year	244	-	-	244
Other comprehensive income, net of tax	-	(4)	1	(3)
Total comprehensive income for the year	244	(4)	1	241
Balance as at 31 March 2025	858	(6)	(2)	849

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

G Prakash
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Amar Gadagkar
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Bengaluru
Date: 22 April 2025

Statement of Cash Flows for the year ended 31 March 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

		Year ended 31 March 2025	Year ended 31 March 2024
I	**Cash flows from operating activities**		
	Profit for the year	244	395
	Adjustments to reconcile loss after tax to net cash flows		
	Depreciation and amortisation expense	653	570
	Provision for doubtful receivables	(8)	30
	Bad debts written off	14	-
	Interest expense	219	176
	Unrealised foreign exchange (gain)/loss	(3)	(4)
	Net gain on sale of current investments	(4)	(14)
	Interest income	(7)	(12)
	Provision for inventory obsolescence	111	282
	Tax expenses	87	184
	Operating profit before working capital changes	1,306	1,607
	Movements in working capital		
	Decrease/ (increase) in inventories	(117)	(328)
	Decrease/ (increase) in trade receivables	(360)	26
	Decrease/ (increase) in other assets	(145)	(249)
	Increase/ (decrease) in trade payables and other liabilities	(243)	476
	Cash used in operations	441	1,533
	Income taxes paid (net of refunds)	(126)	(243)
	Net cash flow generated from operating activities	315	1,290
II	**Cash flows from investing activities**		
	Payment for acquisition of business, net of cash acquired	-	(3,171)
	Purchase of property, plant and equipment	(442)	(1,373)
	Purchase of intangible assets	(11)	(27)
	Investment in bank deposits	(4,127)	(103)
	Redemption/ maturity of bank deposits and inter corporate deposits	4,280	-
	Interest received	4	4
	Proceeds from sale of current investments	1,375	2,188
	Purchase of current investments	(1,291)	(2,380)
	Net cash flow used in investing activities	(212)	(4,862)
III	**Cash flows from financing activities**		
	Proceeds from issue of shares	-	630
	Proceeds/ (repayments) from short term borrowings	174	3,150
	Lease liabilities paid including interest	(220)	(155)
	Interest paid on borrowings	(6)	-
	Net cash flow used/generated from financing activities	(51)	3,625
IV	**Net increase/(decrease) in cash and cash equivalents (I+II+III)**	52	53
V	Effect of exchange difference on cash and cash equivalents held in foreign currency	3	-
V	Cash and cash equivalents at the beginning of the year	177	125
VI	**Cash and cash equivalents at the end of the year (IV+V+VI)**	232	177
	Components of cash and cash equivalents as at the end of the year		
	Cash on hand	-	-
	Balances with banks	232	177
	Total cash and cash equivalents [refer note 9(a)]	232	177

Statement of Cash Flows for the year ended 31 March 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

The accompanying notes are an integral part of the financial statements.

Change in liability arising from financing activities

	1 April 2024	Cash Flow	Non cash movement	31 March 2025
Borrowings (including current maturities)	3,150	174	(3)	3,321
Lease liability (including current)	2,229	(220)	537	2,546
	5,379	**(46)**	**534**	**5,867**

	1 April 2023	Cash Flow	Non cash movement	31 March 2024
Borrowings (including current maturities)	-	3,150	-	3,150
Lease liability (including current)	22	(155)	2,362	2,229
	22	**2,995**	**2,362**	**5,379**

Note: Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

for **and on behalf of the Board of Directors of Syngene Scientific Solutions Limited**

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ACS Number: A59311

Bengaluru
Date: 22 April 2025

Bengaluru
Date: 22 April 2025

Bengaluru
Date: 22 April 2025

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

1. Company Overview

1.1 Reporting entity

Syngene Scientific Solutions Limited ("SSSL" or "the Company"), is engaged in providing contract research and manufacturing services) and Clinical research services in the field of drug discovery, biotechnology, pharmaceuticals, nutritional products, bio-pharmaceutical, bio-informatics, medicinal sciences, life sciences, natural sciences, physical sciences, chemical sciences, biosciences, agro based products and to undertake such other related and allied activities. The Company is a public limited company incorporated and domiciled in India and has its registered office in Bengaluru, Karnataka, India. The Company is a wholly owned subsidiary of Syngene International Limited.

1.2 Basis of preparation of financial statements

a) Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The company has net current liability position of INR 2,279 millions as at 31 March 2025 (31 March 2024: INR 2,656 millions). Notwithstanding the net current liability position, the management of the Company believes that the Company will be able to continue to operate as a going concern for the foreseeable future and meet all its liabilities as they fall due for payment based on its future cash flow projections and continued financial support from Syngene International Limited, ("the Holding Company"). The Holding Company undertakes to provide sufficient financial and other support to the Company for a foreseeable future and not to call for settlement of any amounts that the Company owes to it. Accordingly, these financial statements have been prepared under the going concern assumption. These financial statements were authorised for issuance by Company's Board of Directors as on 22 April 2025.

Details of the Company's material accounting policies are included in Note 2.

b) Functional and presentation currency

These financial statements are presented in Indian rupees (INR), which is also the functional currency of the Company. All amounts have been rounded-off to the nearest million, unless otherwise indicated.

c) Current/non-current distinction

An entity shall classify an asset as current when:

(a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle

(b) it holds the asset primarily for the purpose of trading

(c) it expects to realise the asset within twelve months after the reporting period or

(d) the asset is cash or a cash equivalent (as defined in Ind AS 7, Statement of Cash Flows) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets shall be classified as non-current.

An entity shall classify a liability as current when:

(a) it expects to settle the liability in its normal operating cycle

(b) it holds the liability primarily for the purpose of trading

(c) the liability is due to be settled within twelve months after the reporting period or

(d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities shall be classified as non-current.

The operating cycle of an entity is the time between the acquisition of assets for processing and their realisation in the form of cash or cash equivalents. Where the entity's normal operating cycle is not clearly identifiable, its duration is assumed to be 12 months.

d) Basis of measurement

These financial statements have been prepared on the historical cost basis (i.e. on accrual basis), except for the following items:

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

Certain financial assets and liabilities (including derivative instruments) are measured at fair value; and

Net defined benefit assets/(liability) are measured at fair value of plan assets, less present value of defined benefit obligations.

e) Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires Management to make esstimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and their effects are disclosed in the notes to the financial statements.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 2(a) and 27 — Financial instruments;
- Note 2(b) and 2 (c) —Useful lives of property, plant and equipment, and other intangible assets;
- Note 2(i) and 18 — Revenue Recognition
- Note 2(l), 29 and 30 — Provision for income taxes and related tax contingencies;
- Note 2(n) and 32 — Leases;

1.3 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a potentially significant impact in the year ended 31 March 2025 is included in the following notes:

— Note 2(f)(i) and 27 – impairment of financial assets;

— Note 2(f)(ii) – impairment of non-financial assets;

— Note 2(g) and 26 – measurement of defined benefit obligations: key actuarial assumptions;

— Note 12 and 29 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used; and

— Note 14 and 30 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

1.4 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

— Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

— Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

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

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

Further information about the assumptions made in measuring fair values is included in the following notes:

— Note 2(a) and 27 – financial instruments;

2 Material accounting policies

a. Financial instruments

i. Recognition and initial measurement

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

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

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

— amortised cost;

— Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or

— Fair Value through Profit or Loss (FVTPL).

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

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

— the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

— the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

— the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

— the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss to retained earnings. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss. However, see Note 27 for derivatives designated as hedging instruments.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses classifiable as borrowing costs in accordance with Ind AS 23, "Borrowing Costs" are recognised in statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial liabilities

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

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v. Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in statement of profit and loss.

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in statement of profit and loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to statement of profit and loss.

vi. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

Cash dividend to equity holders

The Company recognises a liability to make cash to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity. Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

b. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of a self-constructed item of property, plant and equipment comprises its purchase price including import duty and non-refundable taxes or levies, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Expenditure incurred on startup and commissioning of the project and/or substantial expansion, including the expenditure incurred on trial runs (net of trial run receipts, if any) up to the date of commencement of commercial production are capitalised.

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

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

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

Advances paid towards acquisition of property, plant and equipment outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

ii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method. Freehold land and land under perpetual lease are not depreciated.

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Asset classification	Management estimate of useful life	Useful life as per Schedule II
Building	Building	25-30 years	30 years
Plant and equipment (including electrical installation and laboratory equipment)	Plant and equipment	9-14 years	8-20 years
Computers and servers	Plant and equipment	3 years	3-6 years
Office equipment	Office equipment	3 years	5 years
Furniture and fixtures	Furniture and fixtures	6 years	10 years
Vehicles	Vehicles	6 years	6-10 years
Leasehold improvements	Building or Plant and equipment	Useful life or lease period whichever is lower	

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions/(disposals) is provided on a pro-rata basis i.e. from/(upto) the date on which asset is ready for use/(disposed of).

c. Other intangible assets

Internally generated: Research and Development:

Expenditure on research activities is recognised in statement of profit and loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in statement of profit and loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

Others

Other intangible assets are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

i. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on brands, is recognised in statement of profit and loss as incurred.

ii. Amortisation

Intangible assets are amortised on a straight line basis over the estimated useful life as follows:

— Computer software 5 years

— Intellectual property rights 5-10 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

d. Business combination

In accordance with Ind AS 103, Business combinations, the Company accounts for business combinations after acquisition date using the acquisition method when control is transferred to the Company. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration and deferred consideration, if any. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred.

Business combinations - common control transactions

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

Business combinations involving entities that are controlled by the Company are accounted for using the pooling of interests method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
- The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.
- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

e. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity. Provisions are made towards slow-moving and obsolete items based on historical experience of utilisation.

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

Chemicals, reagents and consumables held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

f. Impairment

i. Impairment of financial assets

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

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

Loss allowance for financial assets measured at amortised cost are deducted from gross carrying amount of the assets. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

ii. Impairment of non-financial assets

The Company assess at each reporting date whether there is any indication that the carrying amount may not be recoverable. If any such indication exists, then the asset's recoverable amount is estimated and an impairment loss is recognised if the carrying amount of an asset or cash-generating unit (CGU) exceeds its estimated recoverable amount in the statement of profit and loss.

The recoverable amount of a CGU (or an individual asset) is higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flow, discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to CGU (or the asset).

The Company's non-financial assets, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or groups of CGUs) on a pro rata basis.

An impairment loss in respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

g. Employee benefits

i. Short-term employee benefits

All employee benefits falling due within twelve months from the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

ii. Long-term employment benefit obligations:

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Gratuity

The Company provides for gratuity, a defined benefit plan ("the Gratuity Plan") covering the eligible employees of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of the employment with the Company.

Liability with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method.

The Company recognises the net obligation of a defined benefit plan as a liability in its balance sheet. Gains or losses through re-measurement of the net defined benefit liability are recognised in other comprehensive income and are not reclassified to profit and loss in the subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognised in other comprehensive income. The effect of any plan amendments are recognised in the statement of profit and loss.

Provident Fund

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

iii. Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using the projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised is the period in which the absences occur.

The liability in respect of all defined benefit plans and other long term benefits is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses on other long term benefits are recognised in the Statement of Profit and Loss in the year in which they arise. Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan)

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

Past service cost is recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

h. Provisions (other than for employee benefits)

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

i. Revenue recognition:

i. Contract research and manufacturing services income

The Company derives revenues primarily from Contract research and manufacturing services. Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration we expect to receive in exchange for those services or compounds.

Arrangement with customers for Contract research and manufacturing services income are either on a time-and-material basis or fixed price.

In respect of contracts involving research services, in case of 'time and materials' contracts, contract research fee are recognised as services are rendered, in accordance with the terms of the contracts. Revenue from contracts are recorded net of allowances for estimated rebates and cash discounts, as per contractual terms.

Revenues relating to fixed price contracts are recognised based on the percentage of completion method determined based on cost incurred as a proportion to total estimated cost. The Company monitors estimates of total contract revenue and cost on a routine basis throughout the contract period. The cumulative impact of any change in estimates of the contract revenue or costs is reflected in the period in which the changes become known. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss.

The consideration received by the Company in exchange for its goods may be fixed or variable. Variable consideration is only recognised when it is considered highly probable that a significant revenue reversal will not occur once the underlying uncertainty related to variable consideration is subsequently resolved.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

The Company collects Goods and Services Tax (GST) as applicable, on behalf of the Government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

iv. Dividends

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

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

v. Interest Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

j. Foreign currency Transactions and translations:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at balance sheet date exchange rates are generally recognised in Statement of Profit and Loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income (OCI).

k. Income taxes

Income tax comprises of current and deferred income tax. Income tax expense is recognised in statement of profit and loss except to the extent that it relates to an item recognised directly in equity in which case it is recognised in other comprehensive income. Current income tax for current year and prior periods is recognised at the amount expected to be paid or recovered from the tax authorities, using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Provision for income tax includes the impact of provisions established for uncertain income tax positions.

Tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when:

— temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction; and

— temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

Deferred income tax assets and liabilities are measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or substantive enactment date. A deferred income tax assets is recognised to the extent it is probable that future taxable income will be available against which the deductible temporary timing differences and tax losses can be utilised. The Company offsets income-tax assets and liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

l. Borrowing cost

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

Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

m. Leases

(i) The company as lessee:

The company assesses whether a contract contains a lease, at the inception of contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assesses whether a contract conveys the right to control use of an identified asset, the company assesses whether:

- The contract involves use of an identified asset;
- The company has substantially all the economic benefits from the use of the asset through the period of lease; and
- The company has the right to direct the use of an asset.

At the date of commencement of lease, the company recognises a Right-of-use assets ("ROU") and a corresponding liability for all lease arrangements in which it is a lessee, except for leases with the term of twelve months or less (short term leases) and low value leases. For short term and low value leases, the company recognises the lease payment as an operating expense on straight line basis over the term of lease.

Certain lease agreements include an option to extend or terminate the lease before the end of lease term. ROU assets and the lease liabilities includes these options when it is reasonably certain that they will be exercised.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., higher of fair value less cost to sell and the value-in-use) is determined on individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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

Lease liability and ROU asset have been separately presented in the Balance Sheet and the lease payments have been classified as financing cash flows.

n. Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period.

o. Segment reporting

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

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

3 (a) Property, plant and equipment and Capital work-in-progress

	Land	Buildings	Plant and equipment	Office equipments	Furniture and fixtures	Vehicles	Total	Capital work-in-progress
Gross carrying amount								
At 1 April 2023	-	-	-	-	-	-		
Additions	434	157	2,859	2	130	3	-	-
Disposals / other adjustments	-	(1)	-	-	-	-	3,585	4,363
At 31 March 2024	434	156	2,859	2	130	3	(1)	(3,584)
Additions	4	31	253	-	5	-*	3,584	779
Disposals / other adjustments	-	-	-	-	-	-	293	391
At 31 March 2025	438	187	3,112	2	135	3	-	(293)
							3,876	877
Accumulated depreciation								
At 1 April 2023	-	-	-	-	-	-		
Depreciation for the year	-	7	362	1	25	-*	-	-
Disposals	-	(1)	-	-	-	-	394	-
At 31 March 2024	-	6	362	1	25	-*	(1)	-
Depreciation for the year	-	9	409	1	28	1	394	-
At 31 March 2025	**-**	**15**	**771**	**1**	**53**	**1**	**446**	**-**
							840	-
Net carrying amount								
At 31 March 2024	**434**	**150**	**2,497**	**1**	**105**	**3**		
At 31 March 2025	**438**	**172**	**2,341**	**1**	**82**	**2**	**3,190**	**779**
							3,036	**877**

*Less than Rs. 0.5 million

Capital work-in-progress aging schedule:

At 31 March 2025	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	316	561	-	-	877
	316	561	-	-	877

At 31 March 2024	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	779	-	-	-	779
	779	-	-	-	779

(i) There are no capital work-in-progress whose completion has exceeded its cost compared to its original plan as on 31 March 2025 and as on 31 March 2024.

(ii) There are no capital work-in-progress whose completion is overdue to its original plan.

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

3 (b) Right-of-use assets

	Buildings	Total
Gross carrying amount		
At 1 April 2023	45	45
Additions / other adjustments	3865	3,865
Disposals/ other adjustments	(1,582)	(1,582)
At 31 March 2024	2328	2,328
Additions	324	324
At 31 March 2025	2652	2,652
Accumulated depreciation		
At 1 April 2023	1	1
Amortisation for the year	166	166
Disposals/ other adjustments	-	-
At 31 March 2024	167	167
Amortisation for the year	193	193
Disposals	-	-
At 31 March 2025	360	360
Net carrying amount		
At 31 March 2024	**2,161**	**2,161**
At 31 March 2025	**2,292**	**2,292**

4 (a) Other intangible assets

	Computer software
Gross carrying amount	
At 1 April 2023	-
Additions	55
Disposals	-
At 31 March 2024	55
Additions	11
Disposals	-
At 31 March 2025	66
Accumulated amortisation	
At 1 April 2023	-
Amortisation for the year	9
Disposals	-
At 31 March 2024	9
Amortisation for the year	14
Disposals	-
At 31 March 2025	22
Net carrying amount	
At 31 March 2024	46
At 31 March 2025	44

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

5. Investments

	31 March 2025	31 March 2024
Current investments		
Quoted -Investment in mutual funds at fair value through profit and loss	126	206
	126	206
Aggregate book and market value of quoted investments	126	206

6. Other financial assets

	31 March 2025	31 March 2024
(a) Non-current		
Security deposits	66	60
	66	60
(b) Current		
Other receivables	-	-*
Interest accrued but not due	-	3
	-	3

* Less than Rs. 0.5 million.

7. Inventories

	31 March 2025	31 March 2024
Chemicals, reagents and consumables	52	46
The accompanying notes are an integral part of the financial statements.	52	46

Inventory obsolecence amounted to Rs 111 (31 March 2024: Rs 282) were recognised as an expense during the year and included in 'cost of chemicals, reagents and consumables consumed' in statement of profit and loss.

8. Trade receivables

	31 March 2025	31 March 2024
Unsecured		
Considered good	745	396
Considered doubtful	22	30
	767	426
Allowance for credit losses	(22)	(30)
	745	396

* Includes receivables from related parties [refer note 25]

(a) Aging schedule

31 March 2025	Outstanding for following periods from due date of payment					
	Unbilled	Not due	Less than 6 months	6 months – 1 year	1-2 years	Total
Undisputed trade receivables - considered good	137	404	199	1	3	745
Undisputed trade receivables - credit impaired	-	-	17	-*	5	22
	137	404	216	1	8	767

31 March 2024	Outstanding for following periods from due date of payment					
	Unbilled	Not due	Less than 6 months	6 months – 1 year	1-2 years	Total
Undisputed trade receivables - considered good	62	144	136	54	-	396
Undisputed trade receivables - credit impaired	-	-	4	26	-	30
	62	144	140	80	-	426

* Less than Rs. 0.5 million

(b) All trade receivables are current and undisputed.

(c) The Company's exposure to credit and currency risks and loss allowances are disclosed in Note 27

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

9. Cash and bank balances

	31 March 2025	31 March 2024
(a) Cash and cash equivalents		
Balances with banks (on current accounts)	232	177
	232	177
(b) Bank balances other than above		
Deposits with maturity of less than 12 months from year end	-	153
Total cash and bank balances	232	330

10. Other current assets

	31 March 2025	31 March 2024
Current		
Advances other than capital advances	1	1
Balances with statutory / government authorities	572	410
Prepayments	5	-
	578	411

11(a). Equity share capital

	31 March 2025	31 March 2024
Authorised		
100,000,000 equity shares of Rs 10 each	1,000	1,000
400,000,000 0.01% optionally convertible redeemable preference shares of Rs 10 each	4,000	4,000
	5,000	5,000
Issued, subscribed and fully paid-up		
84,000,000 equity shares of Rs 10 each (31 March 2024 -84,000,000 equity shares)	840	840
315,000,000, 0.01% optionally convertible redeemable preference shares (OCRPS) of Rs 10 each(31 March 2024-315,000,000 redeemable preference shares)*	3,150	3,150
	3,990	3,990
Less: OCRPS are classified as a financial liability (refer note 13)	(3,150)	(3,150)
Equity share Capital	840	840

*The Company had issued 3,15,000,000 (Thirty one crore and fifty lakh) 0.01% Optionally Convertible Redeemable Preference Shares ("OCRPS") of face value of INR 10 each at an issue price of 10 per share aggregating to INR 3150 million on a right issue to the existing equity shareholder basis in the ratio of 15 OCRPS for every 1 equity share held with a tenure of 10 years from the date of issue. The option lies with the OCRPS holder for either redemption at face value or conversion into equity shares of the Company at a ratio based on fair value or face value of the equity shares as on the date of exercise of the option, whichever is higher.

(i) Reconciliation of the shares outstanding at the end of the reporting year

Equity shares	31 March 2025		31 March 2024	
	No.	Rs	No.	Rs
At the beginning of the year	84,000,000	840	21,000,000	210
Issue of shares	-	-	63,000,000	630
At the end of the year	84,000,000	840	84,000,000	840

(ii) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

(iii) Details of shares held by holding company and their subsidiaries

Equity shares	31 March 2025		31 March 2024	
	No.	% holding	No.	% holding
Equity shares of Rs. 10 each fully paid				
Syngene International Limited (holding company), includes shares held through nominees	84,000,000	100.00%	84,000,000	100.00%

(iv) Details of shareholders holding more than 5% shares in the Company

Equity shares	31 March 2025		31 March 2024	
	No.	% holding	No.	% holding
Equity shares of Rs 10 each fully paid				
Syngene International Limited (holding company), includes shares held through nominees	84,000,000	100.00%	84,000,000	100.00%

(v) Shares held by promoters

Promoter Name	At 1 April 2024	Change during the year	At 31 March 2025	% of Total Shares	% change during the year
Syngene International Limited (100%), includes shares held through nominees	84,000,000	-	84,000,000	100%	-
	84,000,000	-	84,000,000	100%	-

Promoter Name	At 1 April 2023	Change during the year	At 31 March 2024	% of Total Shares	% change during the year
Syngene International Limited (100%), includes shares held through nominees	21,000,000	63,000,000	84,000,000	100%	75%
	21,000,000	63,000,000	84,000,000	100%	75%

11(b). Other equity

Retained earnings

The amount represents surplus in statement of profit and loss not transferred to any reserve and can be distributed by the Company as dividends / issue of bonus shares to its equity shareholders.

Other Items of other comprehensive income

Other Items of other comprehensive income represents re-measurements of the defined benefits plan.

Cash flow hedging reserves

The cash flow hedging reserve represents the cumulative effective portion of gains or losses (net of tax) arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Any reclassification of amounts from other comprehensive income to profit and loss will reduce the cumulative effective portion.

12. Deferred tax Assets/(liability) (net)(refer note29(b))

	31 March 2025	31 March 2024
Deferred tax asset		
Employee benefit obligations	13	7
Derivatives, net	1	-
Others- Doubtful receivables	6	8
	20	15
Deferred tax liability		
Property, plant and equipment, right-of-use asset, investment property and intangible assets, net	34	105
	34	105
Deferred tax assets/(liability) (net)	(14)	(90)

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

13. Borrowings

	31 March 2025	31 March 2024
Current borrowings		
Pre shipment credit(unsecured)	171	-
Optionally convertible redeemable preference shares of Rs 10 each	3,150	3,150
	3,321	3,150
The above amount includes		
Unsecured borrowings	171	-
	171	-

Notes:

The Company availed foreign currency pre-shipment export credit of Rs. 171 at SOFR+0.95% during the year ended 31 March 2025. The credit facility was availed on 12 March 2025 for a tenor of 3 months.

14. Provisions

	31 March 2025	31 March 2024
(a) Non-current		
Provision for employee benefits		
Gratuity (refer note 26)	28	26
	28	26
(b) Current		
Provision for employee benefits		
Gratuity (refer note 26)	6	4
Compensated absences	45	45
	51	49

15 Trade payables

	31 March 2025	31 March 2024
Trade payables (refer note(a) below and note 25)		
Total outstanding dues of micro and small enterprises	46	9
Total outstanding dues of creditors other than micro and small enterprises	218	463
	264	472

(a) Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development Act, 2006 (''MSMED Act'')

	31 March 2025	31 March 2024
(i) The principal amount and interest due thereon remaining unpaid to supplier as at the end of each accounting year:		
- Principal amount due to micro and small enterprise	46	-
- Interest due on above	-	-
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	34	26
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
(iv) Interest accrued and remaining unpaid at the end of the year	-	-
(v) Interest remaining due and payable in succeeding years, in terms of Section 23 of the MSMED Act, 2006	-	-

The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors.

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

Aging schedule:

31 March 2025	Outstanding for following periods from due date of payment				
	Unbilled	Not due	Less than 1 year	More than 1 year	Total
Total outstanding dues of micro and small enterprises	-	41	5	-	46
Total outstanding dues of creditors other than micro enterprises and small enterprises	96	101	21	-	218
	96	142	26	-	264

31 March 2024	Outstanding for following periods from due date of payment				
	Unbilled	Not due	Less than 1 year	More than 1 year	Total
Total outstanding dues of micro and small enterprises	-	9	-	-	9
Total outstanding dues of creditors other than micro enterprises and small enterprises	178	38	247	-	463
	178	47	247	-	472

16. Other financial liabilities

	31 March 2025	31 March 2024
Current		
Payable for capital goods	88	138
	88	138

17. Other current liabilities

	31 March 2025	31 March 2024
Advance from customers	3	40
Statutory dues	35	41
	38	81

18. Revenue from operations

	Year ended 31 March 2025	Year ended 31 March 2024
Sale of services		
Contract research and manufacturing services income	3,331	3,519
Other operating revenues		
Scrap sales	3	2
	3,334	3,521

18.1 Disaggregated revenue information

Set out below is the disaggregation of revenue:

	Year ended 31 March 2025	Year ended 31 March 2024
Revenues from Contract research and manufacturing services income by geography		
India	403	281
United States of America	1,392	2,148
Europe	1,499	1,057
Rest of the world	37	33
	3,331	3,519

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

	Year ended 31 March 2025	Year ended 31 March 2024
Revenue from other sources		
Other operating revenues	3	2
	3	2
Total revenue from operations	3,334	3,521

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

Revenues from Contract research and manufacturing services income by		
Timing of recognition		
Revenue recognised at a point of time	3,334	3,521
Total revenue from operations	3,334	3,521

18.2 Contract balances

	Year ended 31 March 2025	Year ended 31 March 2024
Trade receivables [refer note (i) below]	745	396
Contract liabilities [refer note (ii) below]	3	40

Notes:

(i) Trade receivables are non-interest bearing.

(ii) Contract liabilities include advances from customers.

18.3 Changes in Contract liabilities - advances from customers

	Year ended 31 March 2025	Year ended 31 March 2024
Balance at the beginning of the year	40	-
Add: Increase due to invoicing during the year	-	40
Less: Revenue recognised from advance from customers.	(37)	-
Balance at the end of the year	3	40
Expected revenue recognition from remaining performance obligations:		
- Within one year	3	40
	3	40

18.4 Reconciliation of revenue recognised with contract price:

	Year ended 31 March 2025	Year ended 31 March 2024
Revenue as per contracted price	3,341	3,521
Adjustments for:		
Discount/Rebates	(7)	-
Total Revenue from contract with customers	3,334	3,521

18.4 Performance obligation:

In relation to information about the Company's performance obligations in contracts with customers refer note 2(i).

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

19. Other income

	Year ended 31 March 2025	Year ended 31 March 2024
Interest income on:		
Deposits with banks and financial institutions	1	7
Lease deposits	6	5
Net gain on sale of current investments	4	14
	11	25

20. Cost of chemicals, reagents and consumables consumed

	Year ended 31 March 2025	Year ended 31 March 2024
Inventory at the beginning of the year	46	-
Add : Purchases	647	520
Less: Inventory at the end of the year	(52)	(46)
	641	475

21. Employee benefits expense

	Year ended 31 March 2025	Year ended 31 March 2024
Salaries, wages and bonus	727	820
Contribution to provident fund and other funds	38	36
Gratuity expenses	9	7
Staff welfare expenses	38	50
	812	913

22. Finance costs

	Year ended 31 March 2025	Year ended 31 March 2024
Interest Expense on:		
Borrowings	6	-*
Lease liabilities (Refer Note 32)	213	176
	219	176

23. Depreciation and amortisation expense

	Year ended 31 March 2025	Year ended 31 March 2024
Depreciation of tangible assets [refer note 3 (a)]	446	395
Amortisation of Right-of-use asset [refer note 3 (b)]	193	166
Amortisation of intangible assets [refer note 4]	14	9
	653	570

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

24. Other expenses

	Year ended 31 March 2025	Year ended 31 March 2024
Rent	3	2
Communication expenses	4	7
Travelling and conveyance	59	59
Professional charges	186	317
Payments to auditors(refer note (a) below)	1	1
Power and fuel	140	155
Facility charges	3	-
Insurance	27	25
Rates and taxes	2	8
Repairs and maintenance		
Plant and machinery	118	96
Buildings	8	6
Others	93	89
Freight outwards and clearing charges	15	14
Sales promotion expenses	12	20
Provision for doubtful receivables	(8)	30
Bad debts written off	14	-
Printing and stationery	2	4
Contributions towards CSR	4	-
Miscellaneous expenses	4	4
	684	837

(a) Payments to auditors:		
As an auditor:		
Statutory audit	1	1
Tax audit	-*	-*
	1	1

* Less than Rs. 0.5 million

26. Related party transactions

Related parties where control exists and other related parties with whom transactions have taken place during the year are listed below :

List of Related parties

Particulars	Nature of relationship
A. Directors	
Deepak Jain	Director (w.e.f 25 November 2024)
Sibaji Biswas	Director (till 30 November 2024)
Kenneth Jay Barr	Director (w.e.f 24 March 2023)
Jayashree Aiyar	Director (w.e.f 31 January 2024)
B. Key management personnel	
Ganesan Krishnan	Manager and CFO (w.e.f 04 September 2023)
Amar Gadagkar	Company Secretary (w.e.f 25 March 2025)
Daksh Arora	Company Secretary (till 14 March 2025)
C. Holding company	
Syngene International Limited	Holding Company
Biocon Limited	Ultimate Holding Company

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

Particulars	Nature of relationship
D. Fellow subsidiaries	
Syngene USA Inc.,	Fellow subsidiary
Syngene Manufacturing Solutions Limited	Fellow subsidiary
E. Other Related Parties	
Ms. Kiran Mazumdar Shaw	Person having significant influence

The Company has the following related parties transactions:

Sl No	Name of the related party	Relationship	Description of transaction/ Balance	Transaction value for the year ended 31 March 2025	Balance as at 31 March 2025	Transaction value for the year ended 31 March 2024	Balance as at 31 March 2024
(a)	Syngene International Limited	Holding Company	Allotment of equity shares	-	-	630	-
			Optionally convertible redeemable preference shares	-	-	3,150	-
			Reimbursement of expense	228	-	206	-
			Rent	-	-	-*	-
			Receipt of services	67	-	177	-
			Contract research and manufacturing services income	354	-	282	-
			Outstanding as at the year end:				
			-Trade Payables	-	38	-	257
			-Trade Receivables	-	134	-	47
			-Rent deposits	-	-	-	-*

Notes:

(i) The above disclosures include related parties as per IND-AS 24 on "Related Party Disclosures".

(ii) None of the balances are secured.

* Less than Rs. 0.5 million.

26. Employee benefit plans

(i) The Company has a defined benefit gratuity plan as per the Payment of Gratuity Act, 1972 ('Gratuity Act'). Under the Gratuity Act, employee who has completed five years of service is entitled to specific benefit with no monetary limit. The level of benefit provided depends on the employee's length of service and salary at retirement/termination age. The gratuity plan is a funded plan and the Company makes contributions to a recognised fund in India.

The plan assets are maintained with HDFC Life Insurance Company Limited (HDFC Life) in respect of gratuity scheme for employees of the Company. The details of investments maintained by the HDFC Life are not available with the Company and not disclosed. The expected rate of return on plan assets is 6.54% p.a. (31 March 2024: 7.31%). The Company actively monitors how the duration and expected yield of the investments are matching the expected outflows arising from the employee benefit obligations.

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. Actuarial valuations involve making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method."

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability
Balance as on 1 April 2024	30	-	30
Current service cost	7	-	7
Interest cost	2	-	2
Amount recognised in Statement of profit and loss	9	-	9
Actuarial (gain) / loss arising from:			
Demographic assumptions	(1)	-	(1)
Financial assumptions	(1)	-	(1)
Experience adjustment	-*	-	-*
Amount recognised in other comprehensive income	(2)	-	(2)
Liability Transferred In/ Acquisitions			
Benefits paid	(3)	-	(3)
Balance as at 31 March 2025	34	-	34

	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability
Balance as on 1 April 2023	-	-	-
Current service cost	6	-	6
Interest cost	1	-	1
Amount recognised in Statement of profit and loss	7	-	7
Actuarial (gain) / loss arising from:			
Experience adjustment	5	-	5
Amount recognised in other comprehensive income	5	-	5
Liability transferred in/ Acquisitions	20	-	20
Benefits paid	(2)	-	(2)
Balance as at 31 March 2024	30	-	30

* Less than Rs. 0.5 million.

	31 March 2025	31 March 2024
Non current	28	26
Current	6	4
	34	30

(ii) The assumptions used for gratuity valuation are as below:

	31 March 2025	31 March 2024
Discount rate	6.54%	7.37%
Salary increase	6.50%	8.00%
Attrition rate (based on Age of the Employee)	24%	9-22%
Retirement age - Years	58	58

Assumptions regarding future mortality experience are set in accordance with published statistics and mortality tables.

The weighted average duration of the defined benefit obligation was 5 years.

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

(iii) Sensitivity analysis

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis does not recognise the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any. The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions are as below:

Particulars	31 March 2025		31 March 2024	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount rate	(1.1)	1.2	(1.1)	1.2
Salary increase	1.2	(1.1)	1.2	(1.1)
Attrition rate	(0.3)	0.3	(0.4)	0.4

Sensitivity of significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of defined benefit obligation by one percentage, keeping all other actuarial assumptions constant. Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumption shown.

Maturity profile of defined benefit obligation

Particulars	31 March 2025	31 March 2024
1st Following year	6	4
2nd Following year	6	4
3rd Following year	6	4
4th Following year	5	4
5th Following year	5	4
Years 6 to 10	11	13
Years 11 and above	5	8

27. Financial instruments: Fair value and risk managements

A. Accounting classification and fair values

31 March 2025	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Other financial assets (non-current)	-	-	66	66	-	-	-	-
Investments (current)	126	-	-	126	126	-	-	126
Trade Receivables	-	-	745	745	-	-	-	-
Cash and cash equivalents	-	-	232	232	-	-	-	-
Derivative assets (current)	-	16	-	16	-	16	-	16
	126	16	1,042	1,184	126	16	-	142
Financial liabilities								
Lease liabilities (non-current)	-	-	2,304	2,304	-	-	-	-
Lease liabilities (current)	-	-	242	242	-	-	-	-
Borrowings	-	-	3,321	3,321	-	-	-	-
Trade payables	-	-	264	264	-	-	-	-
Derivative liabilities	-	7	-	7	-	7	-	7
Other financial liabilities	-	-	88	88	-	-	-	-
	-	7	6,219	6,226	-	7	-	7

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

31 March 2024	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Other financial assets (non-current)	-	-	60	60	-	-	-	-
Investments (current)	206	-	-	206	206	-	-	206
Trade Receivables	-	-	396	396	-	-	-	-
Cash and cash equivalents	-	-	177	177	-	-	-	-
Bank balances other than above	-	-	153	153	-	-	-	-
Derivative assets (current)	-	38	-	38	-	38	-	38
Other financial assets (current)	-	-	3	3	-	-	-	-
	206	**38**	**789**	**1,033**	**206**	**38**	**-**	**245**
Financial liabilities								
Lease liabilities (non-current)	-	-	2033	2,033	-	-	-	-
Lease liabilities (current)	-	-	196	196	-	-	-	-
Borrowings	-	-	3150	3,150	-	-	-	-
Trade payables	-	-	472	472	-	-	-	-
Derivative liabilities	-	1	-	1	-	1	-	1
Other financial liabilities	-	-	138	138	-	-	-	-
	-	**1**	**5,989**	**5,990**	**-**	**1**	**-**	**1**

(a) The carrying amount of financial assets and financial liabilities measured at amortised cost in the Financial Statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

(b) There have been no transfers between level 1, 2 and 3.

(c) The Company enters into derivative financial instruments with various counterparties. Derivatives are valued using valuation techniques in consultation with market expert. The most frequently applied valuation technique include forward pricing, swap models and Black Scholes Merton Model (for options valuation), using present value calculations. The models incorporate various inputs including foreign exchange forward rates, interest rate curve and forward rates curve.

Measurement of fair values

Fair value of liquid mutual funds are based on quoted price. Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

Sensitivity analysis

For the fair values of forward/option contracts of foreign currencies, reasonably possible changes at the reporting date to one of the significant observable inputs, holding other inputs constant, would have the following effects.

Measurement of fair values

Fair value of liquid mutual funds are based on quoted price. Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

Sensitivity analysis

For the fair values of forward/option contracts of foreign currencies, reasonably possible changes at the reporting date to one of the significant observable inputs, holding other inputs constant, would have the following effects.

Significant observable inputs	Impact on profit or loss		Impact on other equity	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Movement in spot rate of the foreign currency				
INR/USD - Increase by 1%	-	-	(15)	(19)
INR/USD - Decrease by 1%	-	-	17	19

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

B. Financial risk management

The Company's activities expose it to a variety of financial risks : credit risk, market risk and liquidity risk.

(i) Risk management framework

The Company's risk management is carried out by the treasury department under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investment of excess liquidity.

(ii) Credit risk

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

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

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The maximum exposure to credit risk as at reporting date is primarily from trade receivables and unbilled revenue amounting to Rs. 746 (31 March 2024: Rs 396). The movement in allowance for impairment in respect of trade receivables during the year was as follows:

Allowance for Impairment	31 March 2025	31 March 2024
Opening balance	30	-
Impairment loss recognised	-	30
Impairment loss reversed	(8)	-
Closing balance	**22**	**30**

Details of trade receivables that are not due, past due and impaired is given below:

Particulars	31 March 2025	31 March 2024
Neither past due nor impaired	542	206
Past due but not impaired:		
Less than 180 days	199	136
180 days - 365 days	1	54
More than 365 days	3	-
Past due but impaired:		
Less than 180 days	17	4
180 days - 365 days	-*	26
More than 365 days	5	-
Less: Allowance for credit losses	(22)	(30)
Total	**745**	**395**

*Less than Rs. 0.5 million

Other than trade receivables the Company has no significant class of financial assets that is past due but not impaired.

Credit risk on investments, cash and cash equivalent and derivatives is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Based on continued financial support from Syngene International Limited ("the Holding Company"), the Company believes that it will be able to meet its working capital requirements. Accordingly, no liquidity risk is perceived (Refer Note 1.2(a)).

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

The table below details the company's remaining contractual maturity an undiscounted basis for its financial liabilities as of 31 March 2025:

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Lease liabilities (non-current)	-	292	961	2,802	4,056
Lease liabilities (current)	280	-	-	-	280
Borrowings (current)	3,321	-	-	-	3,321
Trade payables	264	-	-	-	264
Derivative liabilities (current)	7	-	-	-	7
Other financial liabilities	88	-	-	-	88
Total	3,960	292	961	2,802	8,016

The table below details the company's remaining contractual maturity an undiscounted basis for its financial liabilities as of 31 March 2024 :

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Lease liabilities (non-current)	-	227	758	2,756	3,741
Lease liabilities (current)	207	-	-	-	207
Borrowings (current)	3,150	-	-	-	3,150
Trade payables	472	-	-	-	472
Derivative liabilities (current)	1	-	-	-	1
Other financial liabilities	138	-	-	-	138
Total	3968	227	758	2756	7709

(iv) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates, interest rates and equity prices.

Foreign currency risk

The Company operates internationally and a major portion of the business is transacted in several currencies and consequently, the Company is exposed to foreign exchange risk through operating and borrowing activities in foreign currency. The Company holds derivative instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates and foreign currency exposure.

The currency profile of financial assets and financial liabilities as at 31 March 2025 and 31 March 2024 are as below:

31 March 2025	USD	EUR	Others
Financial assets			
Trade receivables	554	-	-
Cash and cash equivalents	199	-	-
Derivative assets	16	-	-
Financial liabilities			
Trade payables	(22)	-	-
Derivative liabilities	(7)	-	-
Borrowings (current)	(171)	-	-
Other financial liabilities (current)	(10)	(2)	-
Net assets / (liabilities)	559	(2)	-

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

31 March 2024	USD	EUR	Others
Financial assets			
Trade receivables	361	2	-
Cash and cash equivalents	156	1	-
Derivative assets	38	-	-
Financial liabilities			
Trade payables	(22)	-	-
Derivative liabilities	(1)	-	-
Other financial liabilities (current)	(10)	(2)	-
Net assets / (liabilities)	520	1	-

Exposure to currency risk (continued)

INR	Average rate		Year-end spot rate	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
USD 1	84.63	82.79	85.43	83.34
EUR 1	90.68	89.76	92.40	89.99

Sensitivity analysis

The sensitivity of profit or loss to changes in exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign exchange forward/option contracts designated as cash flow hedges.

Particulars	Impact on profit or loss		Impact on other equity	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
USD Sensitivity				
INR/USD - Increase by 1%	5.6	6.2	5.6	6.2
INR/USD - Decrease by 1%	(5.6)	(4.2)	(5.6)	(4.2)
EUR Sensitivity				
INR/EUR - Increase by 1%	(0.2)	0.5	(0.2)	0.5
INR/EUR - Decrease by 1%	0.1	0.5	0.1	0.5

Derivative financial instruments

The Company uses derivative financial instruments exclusively for hedging financial risks that arise from its commercial business or financing activities. The Company's Treasury team manages its foreign currency risk by hedging forcasted transactions like sales, purchases and capital expenditures. When a derivative is entered for hedging, the Company matches the terms of those derivatives to the underlying exposure. All identified exposures are managed as per the policy duly approved by the Board of Directors.

The following table gives details in respect of outstanding foreign exchange forward and option contracts as of 31 March 2025:

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Foreign exchange forward contracts to sell USD	15	-	-	-	15
European style option contracts	5	-	-	-	5

The following table gives details in respect of outstanding foreign exchange forward and option contracts as of 31 March 2024:

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Foreign exchange forward contracts to sell USD	16	-	-	-	16
European style option contracts	8	-	-	-	8

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

28. Capital management

The key objective of the Company's capital Management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor and customer confidence and to ensure future development of its business. The Company focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the company.

The capital structure as of 31 March 2025 and 31 March 2024 was as follows:

Particulars	31 March 2025	31 March 2024
Total equity attributable to the equity shareholders of the Company	1,689	1448
As a percentage of total capital	34%	31%
Short-term borrowings	3,321	3,150
Total borrowings	3,321	3,150
As a percentage of total capital	66%	69%
Total capital (Equity and Borrowings)	5,010	4,598

29. Tax expense

(a) Amount recognised in Statement of profit and loss

	Year ended 31 March 2025	Year ended 31 March 2024
Current tax	162	223
Deferred tax:		
MAT credit entitlement		
Others related to:		
Origination and reversal of other temporary differences	(75)	(39)
Tax expense for the year	87	184
Reconciliation of effective tax rate		
Profit before tax	330	579
Tax at statutory income tax rate 25.168% (31 March 2024 - 25.168%)	83	146
Tax effects of amounts which are not deductible / (taxable) in calculating taxable income		
Non-deductible expense	1	-
Others	3	38
Income tax expense	87	184

(b) Recognised deferred tax assets and liabilities

The following is the movement of deferred tax assets / liabilities presented in the balance sheet

For the year ended 31 March 2025	Opening balance	Transfer from SIL	Recognised in profit or loss	Recognised in OCI	Closing balance
Deferred tax asset					
Defined benefit obligations	7	-	6	-	13
Derivatives, net	-	-	-	1	1
Others	8	-	(2)	-	6
Gross deferred tax assets	15	-	4	1	20
Deferred tax liability					
Property, plant and equipment, investment property and intangible assets, net	105	-	(71)	-	34
Gross deferred tax liability	105	-	(71)	-	34
Deferred tax assets / (liabilities), net	(90)	-	75	1	(14)

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

For the year ended 31 March 2024	Opening balance	Recognised in profit or loss	Recognised in OCI	Recognised in equity	Closing balance
Deferred tax asset					
Defined benefit obligations	-	18	(10)	-	7
Others	-	1	7	1	8
Gross deferred tax assets	**-**	**19**	**(4)**	**1**	**15**
Deferred tax liability					
Property, plant and equipment, investment property and intangible assets, net	-	148	(43)	-	105
Gross deferred tax liability	**-**	**148**	**(43)**	**-**	**105**
Deferred tax assets / (liabilities), net	**-**	**(131)**	**39**	**1**	**(90)**

30. Contingent liabilities and commitments

(i) Contingent liabilities

	31 March 2025	31 March 2024
(a) Claims against the Company not acknowledged as debt	-	-

(b) Guarantees

	31 March 2025	31 March 2024
Guarantees given by banks on behalf of the Company for contractual obligations of the Company.	50	50

The necessary terms and conditions have been complied with and no liabilities have arisen.

(ii) Commitments

	31 March 2025	31 March 2024
Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances	149	335

* Less than Rs. 0.5 million.

31. Segmental Information

Operating segments

The Company is engaged in a single operating segment of providing contract research and manufacturing services. Accordingly, there are no additional disclosures to be provided under Ind AS 108 'Operating Segments' other than those already provided in the financial statements.

Geographical information

The geographical information analyses the Company's revenues by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, revenue has been based on the geographic location of the customers.

	Year ended 31 March 2025	Year ended 31 March 2024
Revenue from operations:		
India	405	283
United States of America	1,392	2,148
Europe	1,499	1,057
Rest of the world	37	33
Total	**3,333**	**3,521**

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

The following is the carrying amount of non current assets by geographical area in which the assets are located:

Carrying amount of non-current assets	31 March 2025	31 March 2024
India	6,249	6,195
Outside India	-	-
Total	6,249	6,195

Note: Non-current assets excludes financial assets.

Major customer

Revenue from two customers (31 March 2024 - two customers) of the Company's Revenue from operations aggregates to Rs.1366 (31 March 2024 - Rs. 1145) which is more than 10 percent of the Company's total revenue.

32. Leases

'The Company has entered into lease agreements for use of buildings which expires over a period ranging upto the year of 2039. Gross payments for the year aggregate to Rs. 219 (31 March 2024 - Rs. 253)

The weighted average borrowing rate of 8% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

The following is the movement in lease liabilities during the year ended 31 March 2025:

Particulars	Buildings	Total
Opening Balance	2,229	2,229
Additions during the period	471	471
Finance cost accrued during the period	213	213
Deletions/Modification	(148)	(148)
Payment of lease liabilities	(219)	(219)
Balance at the end	2,546	2,547

The following is the movement in lease liabilities during the year ended 31 March 2024:

Particulars	Buildings	Total
Opening Balance	22	22
Additions during the period	3,929	3,929
Finance cost accrued during the period	176	176
Deletions	(1,743)	(1,743)
Payment of lease liabilities	(155)	(155)
Balance at the end	2,229	2,229

The following is the break-up of current and non-current lease liabilities:

Particulars	31 March 2025	31 March 2024
Current	242	196
Non-current	2,304	2,033
Total	2,546	2,229

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	31 March 2025	31 March 2024
Less than one year	280	207
One to five years	1,253	985
More than five years	2,802	2,756
Total	4,335	3,948

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

The following are the amounts recognised in the statement of profit or loss:

Particulars	31 March 2025	31 March 2024
Depreciation expenses on right of use-assets	193	166
Interest expenses on lease liabilities	213	176
Rent (Refer note 24)	3	2
Total	409	344

33. Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

Particulars	31 March 2025	31 March 2024
(a) Amount required to be spent by the Company during the year	5.4	-
(b) Amount unspent of previous years shortfall	-	-
(c) Amount spent during the year (in cash)	3.5	-
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	3.5	-
(d) Amount unspent and carried forward to next year	1.8	-

(e) Details of unspent obligations:

Details of ongoing project and other than ongoing project

In case of Section 135(5) of the Companies Act, 2013 (Ongoing project)						
Opening balance as at 1 April 2024		Amount required to be spent during the year	Amount spent during the year		Closing balance as at 31 March 2025	
With Company	In Separate CSR Unspent		From Company's bank account	From Separate CSR Unspent account	With Company	In Separate CSR Unspent account
-	-	5.4	3.5	-	1.8	-

In case of Section 135(5) of the Companies Act, 2013 (Other than ongoing project)						
Opening balance as at 1 April 2024		Amount required to be spent during the year	Amount spent during the year		Closing balance as at 31 Dec 2024	
With Company	In Separate CSR Unspent		From Company's bank account	From Separate CSR Unspent account	With Company	In Separate CSR Unspent account
-	-	-	-	-	-	-

34. Earnings per share (EPS)

Particulars	31 March 2025	31 March 2024
Earnings		
Profit for the year	244	395
Shares		
Basic outstanding shares	84,000,000	84,000,000
Weighted average shares used for computing basic EPS	84,000,000	84,000,000
Add: Effect of dilutive optionally redeeemable convertible preference shares	315,000,000	315,000,000
Weighted average shares used for computing diluted EPS	399,000,000	399,000,000
Earnings per share - Annualised		
Basic (in Rs.)	2.90	4.70
Diluted (in Rs.)	0.61	0.99

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

35. Other Statutory Information :

(i) The Company does not have any Benami property or any proceeding is pending against the Company for holding any Benami property.

(ii) The Company do not have any transactions with companies struck off.

(iii) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(iv) The Company has not traded or invested in crypto currency or virtual currency during the financial year.

(v) The Company has not advanced or loaned or invested any funds (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

(vi) The Company has not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Company is not classifed as wilful defaulter.

(viii) The Company doesn't have any 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.

36. Financial ratios:

Ratio	Numerator	Denominator	31 March 2025	31 March 2024	Variance %
(a) Net profit ratio	Profit/ (loss) for the period	Total income	7%	11%	-35%
(b) Return on equity ratio	Profit/ (loss) for the period	Average equity	16%	49%	-68%
(c) Debt equity ratio	Borrowings	Equity	197%	218%	-10%
(d) Debt service coverage rati	Earnings before interest, taxes, depreciation and amortisation = Net profit before tax + Depreciation and amortisation + Finance costs	Total debt service in preceding twelve months = Finance costs + Repayment of short term borrowings + Repayment of long term borrowings	5.49	7.52	-27%
(e) Return on investment	Interest income on deposits + Net gain on mutual funds	Average Investment in deposits and mutual funds	2.23%	10.15%	-78%
(f) Return on capital employed	Earnings before interest and taxes = Net profit before tax + Finance costs	"Capital Employed = Tangible Net Worth (Total equity - Intangibles assets) + Total Borrowings - Deferred Tax Asset"	11%	16%	-32%
(g) Net capital turnover ratio	Revenue from operations	"Average Working capital = Current assets – Current liabilities"	-1.35	-2.59	-48%
(h) Current ratio	Current assets	Current liabilities	0.43	0.35	24%
(i) Inventory turnover ratio	Cost of chemicals sold = Purchases of chemicals, reagents and consumable + Changes in inventories	Average inventory	13.18	20.81	-37%
(j) Trade receivable turnover ratio	Revenue from operations	Average trade receivable	5.85	17.80	-67%
(k) Trade payable turnover ratio	Total supply purchases = Purchases of chemicals, reagents and consumables + Changes in inventories + Other expenses	Average trade payables	3.60	5.06	-29%

Notes to the financial statements for the year ended 31 March 2025

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

Explanation for variance more than 25% in the above ratios:

(i) The company's revenue has declined year on year while the cost increased marginally resulting in variance more than 25% in profitability and return on investment ratios

(ii) The company had acquired its Hyderabad unit during the previous financial year from Syngene International Limited (Holding Company) under slump sale transaction which has resulted in increase of multiple assets and liabilities. Variances in the above ratios are arising because of increase in assets/liabilities which were acquired during the preceeding financial year.

37. Acquisition through slump sale :

With effect from 01 April 2023, the Company has acquired the Hyderabad operations of Syngene International Limited (Holding company) under a slump sale arrangement for a consideration of INR 3171.

The following table summarises major class of the assets and liabilities acquired through slump sale as on date of acquisition:

Particulars	01 April 2023
Assets	2,491
Property, plant and equipment	1,582
Right-of-use assets	1,217
Working capital and others	**5,290**
Total assets	
Liabilities	
Lease Liabilities	1,743
Working capital and others	376
Total liabilities	2,119
Net assets acquired	3,171

38. On 22 April 2025, the Board of Directors recommended a final dividend at the rate of 0.01% on the face value of optionally convertible redeemable preference shares (OCRPS) of Rs 10 each. The proposed dividend is subject to the approval of the shareholders in the Annual General Meeting.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

G Prakash
Partner
Membership number: 099696

Bengaluru
Date: 22 April 2025

for **and on behalf of the Board of Directors of Syngene Scientific Solutions Limited**

Deepak Jain
Director
DIN: 03488061

Kenneth Jay Barr
Director
DIN: 10087116

Krishnan G
Chief Financial Officer

Bengaluru
Date: 22 April 2025

Amar Gadagkar
Company Secretary
ACS Number: A59311
Bengaluru
Date: 22 April 2025