Independent Auditor's Report

To The Members of
Solara Active Pharma Sciences Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Solara Active Pharma Sciences Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of subsidiaries referred to in the Other Matters section below the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2023, and their consolidated loss, their consolidated total comprehensive loss, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1	**Revenue Recognition:** Refer note 2.1 (vi) and note 28 of the Consolidated financial statements. The Group's sales revenue mainly arose from sale of pharmaceutical products, which are in the nature of API (i.e. Active Pharmaceutical Ingredient). The Group recognises sales revenue based on the terms and conditions of transactions, which vary with different customers. For sales transactions in a certain period around balance sheet date, it is essential to ensure whether the transfer of control of the goods by the Group to the customer occurs before the balance sheet date or otherwise. Considering that there are significant volume of sales transactions close to the year end, involving material amounts and such revenue recognition is subject to whether transfer of control to the customer has occurred before the balance sheet date or otherwise, we consider the risk of revenue from sale of goods being recognised in the incorrect period, a key audit matter.	**Principal audit procedures performed:** We evaluated the design of internal controls over recognition of revenue in the appropriate period on accordance with the Group's accounting policy. On a sample basis, we tested the operating effectiveness of the internal control relating to the determination of point of time at which the transfer of control of the goods occurs. We tested the relevant information technology systems used in recording the revenue including company's system generated reports, based on which selection of samples was undertaken. On sample basis. We performed test of details of sales recorded close to year end through following procedures: – Analysed the terms and conditions of the underlying contract with the customers and – Verified the evidence for the transfer of control of the goods prior to the balance sheet date or otherwise, from relevant supporting documents.

Sr. No.	Key Audit Matter	Auditor's Response
2	**Carrying Value of Goodwill Relating to Human API Business:** Refer note 7 of the Consolidated financial statements. The Company carried goodwilll of ₹ 357.95 Crores as at balance sheet date arising from past acquisition of the Human API business. As Indicated in note 2.1 (xvii) to the Consolidated financial statements, the management of the Company assesses the impairment of the goodwill annually. The carrying value of the goodwill will be recovered through future cash flows and there is a risk of impairment loss where the actual cash flows are less than expected. The impairment assessment performed by the management contained a number of significant judgements and estimates including short and long-term growth rates and discount rate. We focused on this area because of the significance of the balance and the significant judgements and assumptions involved in impairment assessment by the management about the future results of the Human API business	**Principal Audit Procedures performed:** We assessed the management's process for impairment assessment of goodwill. We performed testing of details and operating effectiveness of internal controls and substantive testing as follows: – Evaluated the design of the management's internal control around the impairment assessment process. – Understood the key assumptions considered in the management's estimates of future cash flows. – Involving our valuation specialists, we evaluated the short-term and long-term growth rates considered in the estimates of future cash flows and the discount rate used in the calculations. – Compared the historical cash flows (including for current year) against past projections of the management for the same periods and gained understanding of the rationale for the changes. – Performed sensitivity analysis on the key assumptions within the forecast cash flows and focused our attention on those assumptions we considered most sensitive to the changes such as revenue growth and profitability during the forecast period, the terminal growth rate and discount rate applied to the future cash flows. – We ascertained the extent to which a change in these assumptions both individually or in aggregate would result in impairment and considered the likelihood of such events occurring. We further assessed the adequacy of the disclosures made in the financial statements for the year ended 31 March 2023

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

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report, Corporate Governance Report and Business Responsibility Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates subsidiaries is traced from their financial statements audited by the other auditors.

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

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

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the entities or business activities included in the consolidated financial statements, which have been audited by other auditors, such and other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

We did not audit the financial statements of 3 subsidiaries whose financial statements reflect total assets of ₹ 22.90 Crores as at 31 March 2023, total revenues of ₹ 1.45 Crores and net cash inflows amounting to ₹ 0.07 Crores for the year ended on that date, as considered in the consolidated financial statements. The financial statements of the subsidiaries have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report of such other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the branch auditors and other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

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

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

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

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

    e) On the basis of the written representations received from the directors of the Parent as on 31 March 2023 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

    f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

    g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

        In our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of subsidiary companies incorporated in India, the remuneration paid by the Parent and such subsidiary companies to their respective directors during the year is in accordance with the provisions of section 197 of the Act.

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

        i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 40 to the consolidated financial statements.

        ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

iv) (a) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the note 51 (g) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the note 51 (g) to the consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The Parent and its subsidiaries, which are incorporated in India, whose financial statements have been audited under the Act, have not declared or paid any dividend during the year and have not proposed final dividend for the year.

vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. 1 April 2023 to the Parent/ Holding Company and its subsidiaries incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

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

Sathya P. Koushik
(Membership No. 206920)
(UDIN 23206920BGYMEG7948)

Place: Bengaluru
Date: 12 May 2023

Annexure "A" to the Independent Auditor's Report

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

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to consolidated financial statements of **Solara Active Pharma Sciences Limited** (hereinafter referred to as "Parent") and its subsidiary companies, which includes internal financial controls with reference to consolidated financial statements of its subsidiaries incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies, which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

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

OPINION

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the branch auditors and other auditors referred to in the Other Matters paragraph below, Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2023, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 2 subsidiary companies which are incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

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

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

Sathya P. Koushik
(Membership No. 206920)
(UDIN 23206920BGYMEG7948)

Place: Bengaluru
Date: 12 May 2023

Consolidated Balance Sheet

as at March 31, 2023

₹ in Crores

Particulars		Note No.	As at March 31, 2023	As at March 31, 2022
A	**ASSETS**			
I	**Non-current assets**			
	(a) Property, plant and equipment	3	866.81	842.28
	(b) Right-of-use assets	4(i)	53.77	56.49
	(c) Capital work in progress	5	238.47	238.65
	(d) Investment property	6	23.94	24.59
	(e) Goodwill	7	365.09	365.09
	(f) Other intangible assets	8	54.35	67.94
	(g) Financial assets			
	(i) Investments	9	1.70	0.42
	(ii) Loans	10(i)	-	0.27
	(iii) Other financial assets	11(i)	14.46	12.52
	(h) Deferred tax assets (net)	12	78.56	55.14
	(i) Income tax assets (net)	13	4.52	18.29
	(j) Other non-current assets	14(i)	10.07	24.00
	Total non-current assets		**1,711.74**	**1,705.68**
II	**Current assets**			
	(a) Inventories	15	558.09	575.55
	(b) Financial assets			
	(i) Trade receivables	16	536.99	489.67
	(ii) Cash and cash equivalents	17	8.73	46.38
	(iii) Bank balances other than (ii) above	18	0.16	0.87
	(iv) Loans	10(ii)	32.62	51.58
	(v) Other financial assets	11(ii)	13.23	9.53
	(c) Other current assets	14(ii)	37.72	65.70
	Total current assets		**1,187.54**	**1,239.28**
	Total assets (I + II)		**2,899.28**	**2,944.96**
B	**EQUITY AND LIABILITIES**			
I	**Equity**			
	(a) Equity share capital	19	36.00	36.00
	(b) Other equity	20	1,464.21	1,488.87
	Equity attributable to the owners of the company		**1,500.21**	**1,524.87**
	Non-controlling interests	21	2.24	2.31
	Total equity		**1,502.45**	**1,527.18**
II	**Liabilities**			
1	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	22(i)	235.10	283.04
	(ii) Lease liabilities	4(ii)	11.15	10.70
	(iii) Other financial liabilities	23(i)	0.42	0.42
	(b) Provisions	24	10.67	9.49
	(c) Other non-current liabilities	25(i)	38.36	50.71
	Total Non-current liabilities		**295.70**	**354.36**
2	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	22(ii)	766.05	741.53
	(ii) Lease liabilities	4(ii)	0.55	2.10
	(iii) Trade payables			
	- Dues of micro and small enterprises	26	11.96	8.07
	- Dues of other than micro and small enterprises	26	293.90	267.92
	(iv) Other financial liabilities	23(ii)	14.15	17.82
	(b) Provisions	24	2.08	3.44
	(c) Current tax liabilities (net)	27	0.01	0.33
	(d) Other current liabilities	25(ii)	12.43	22.21
	Total current liabilities		**1,101.13**	**1,063.42**
	Total liabilities		**1,396.83**	**1,417.78**
	Total equity and liabilities (I + II)		**2,899.28**	**2,944.96**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number: 117366W/W-100018

Sathya P Koushik
Partner
Membership Number: 206920

Place : Bengaluru
Date : May 12, 2023

For and on behalf of Board of Directors

Jitesh Devendra
Managing Director
DIN: 06469234

Poorvank Purohit
Chief Executive Officer

S Murali Krishna
Company Secretary
Membership Number: 13372

S. Hariharan
Executive Director and
Chief Financial Officer
DIN: 05297969

Place : Bengaluru
Date : May 12, 2023

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

₹ in Crores

	Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
A.	**CONTINUING OPERATIONS:**			
1	Revenue from operations	28	1,443.81	1,268.34
2	Other income	29	22.55	20.02
3	**Total Income (1+2)**		**1,466.36**	**1,288.36**
4	**EXPENSES**			
	(a) Cost of materials consumed	30	773.90	858.86
	(b) Purchase of stock-in-trade	31	7.88	53.78
	(c) Changes in inventories of finished goods and work-in-progress	32	7.05	(258.75)
	(d) Employee benefits expense	33	228.63	236.34
	(e) Finance costs	34	90.06	75.28
	(f) Depreciation and amortisation expenses	35	111.19	112.32
	(g) Other expenses	36	292.47	298.14
	Total expenses (4)		**1,511.18**	**1,375.97**
5	**PROFIT / (LOSS) BEFORE TAX (3-4)**		(44.82)	(87.61)
6	Exceptional items - net gain / (loss)	37	-	(3.49)
7	**PROFIT BEFORE TAX (5-6)**		(44.82)	(91.10)
8	**TAX EXPENSE**	38		
	(a) Current tax		(0.09)	0.17
	(c) Deferred tax		(22.48)	(32.98)
	Total tax expense (8)		**(22.57)**	**(32.81)**
9	**PROFIT FOR THE YEAR (7-8)**		(22.25)	(58.29)
10	**OTHER COMPREHENSIVE INCOME**			
A	**ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS:**			
(i)	Remeasurement gains/(losses) of defined benefit plans		(2.70)	3.09
(ii)	Income tax relating to items that will not be reclassified subsequently to profit or loss		0.94	(1.08)
B	**ITEMS THAT MAY BE RECLASSIFIED TO SUBSEQUENTLY TO PROFIT OR LOSS:**			
(i)	Exchange differences on translating the financial statements of foreign operations		(0.30)	(0.12)
(ii)	Income tax relating to items that may be reclassified to statement of profit and loss		-	-
	Total other comprehensive income/(loss) for the year (10)		**(2.06)**	**1.89**
11	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR (9+10)**		**(24.31)**	**(56.40)**
	Profit for the year attributable to:			
	- Owners of the Company		(22.18)	(58.15)
	- Non-controlling interests		(0.07)	(0.14)
			(22.25)	**(58.29)**
	Other Comprehensive income attributable to:			
	- Owners of the Company		(2.06)	1.89
	- Non-controlling interests		-	-
			(2.06)	**1.89**
	Total Comprehensive income attributable to:			
	- Owners of the Company		(24.24)	(56.26)
	- Non-controlling interests		(0.07)	(0.14)
			(24.31)	**(56.40)**
12	**EARNINGS PER EQUITY SHARE (FACE VALUE OF ₹ 10/- EACH)**	43		
	- Basic (in ₹)		(6.16)	(16.18)
	- Diluted (in ₹)		(6.16)	(16.18)

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number: 117366W/W-100018

Sathya P Koushik
Partner
Membership Number: 206920

Place : Bengaluru
Date : May 12, 2023

For and on behalf of Board of Directors

Jitesh Devendra
Managing Director
DIN: 06469234

Poorvank Purohit
Chief Executive Officer

S Murali Krishna
Company Secretary
Membership Number: 13372

S. Hariharan
Executive Director and
Chief Financial Officer
DIN: 05297969

Place : Bengaluru
Date : May 12, 2023

Consolidated Statement of Cash Flows

for the year ended March 31, 2023

₹ in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax for the year	**(44.82)**	**(91.10)**
Adjustments for:		
Depreciation and amortisation expense	111.19	112.32
Interest expense on borrowings	90.06	75.28
Share based compensation expense	0.05	(1.31)
Rental income from investment property	(4.45)	(5.59)
Interest income	(5.78)	(7.76)
Liabilities / provisions no longer required written back	(10.02)	(1.75)
Loss / (Gain) on sale of property, plant and equipment	0.45	0.77
Provision for doubtful trade and other receivables	5.66	8.82
Unrealised exchange (gain) / loss (net)	(0.37)	0.18
Operating profit before working capital changes	**141.97**	**89.86**
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	17.32	(280.58)
Trade receivables	(52.80)	(14.55)
Other assets (financial & non-financial)	22.32	(29.49)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	38.90	(23.88)
Other liabilities (financial & non-financial)	(25.00)	34.71
Cash generated from operations	**142.71**	**(223.93)**
Net income tax (paid) / refunds	13.54	(18.10)
Net cash flow generated from operating activities (A)	**156.25**	**(242.03)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure for property, plant and equipment and intangible assets, including capital advances	(111.31)	(208.62)
Proceeds from sale of property, plant and equipment	1.30	0.13
Investments in other entities	(1.28)	-
Intercorporate deposit (given) / received	17.65	(50.00)
Interest received	7.35	10.05
Rental income from investment property	4.45	5.59
(Increase)/decrease in balance held as margin money	0.70	-
Net cash flow utilised in investing activities (B)	**(81.14)**	**(242.85)**

Consolidated Statement of Cash Flows

for the year ended March 31, 2023

₹ in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	-	2.90
Proceeds from non-current borrowings	68.30	262.40
Repayment of non-current borrowings	(130.62)	(93.76)
Net increase / (decrease) in current borrowings	39.44	248.67
Dividends paid (net of taxes)	-	(10.78)
Lease payments	(2.43)	(2.46)
Interest paid on borrowings	(87.45)	(73.40)
Net cash flow generated from financing activities (C)	(112.76)	333.57
Net increase in cash and cash equivalents during the year (A+B+C)	(37.65)	(151.31)
Cash and cash equivalents at the beginning of the year	46.38	197.69
Cash and cash equivalents at the end of the year	**8.73**	**46.38**

Reconciliation of cash and cash equivalents with the Balance Sheet:

₹ in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash and cash equivalents as per Balance Sheet (Refer note 17)	8.73	46.38
Cash and cash equivalents at the end of the year *	**8.73**	**46.38**
*** Comprises**		
Cash on hand	0.10	0.04
Balance with banks:		
- In current account	8.58	3.87
- In deposit account	0.05	42.47
Total	**8.73**	**46.38**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number: 117366W/W-100018

Sathya P Koushik
Partner
Membership Number: 206920

Place : Bengaluru
Date : May 12, 2023

For and on behalf of Board of Directors

Jitesh Devendra
Managing Director
DIN: 06469234

Poorvank Purohit
Chief Executive Officer

S Murali Krishna
Company Secretary
Membership Number: 13372

S. Hariharan
Executive Director and
Chief Financial Officer
DIN: 05297969

Place : Bengaluru
Date : May 12, 2023

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

A. EQUITY SHARE CAPITAL

₹ in Crores

Particulars	Amount
Balance as at April 01, 2021	35.93
Changes in equity share capital during the year	
- Shares issued pursuant to exercise of stock options (refer note 45)	0.07
Balance as at March 31, 2022	**36.00**
Changes in equity share capital during the year	-
Balance as at March 31, 2023	**36.00**

B. OTHER EQUITY

₹ in Crores

Particulars	Reserves and Surplus				Items of other comprehensive income - Foreign currency translation reserve	Total equity attributable to the owners of the company	Non-controlling interests	Total Equity
	Capital reserve	Securities premium	Retained earnings	Share options outstanding account				
Balance as at April 01, 2021	0.01	1,211.72	338.85	3.79	(1.77)	1,552.60	4.24	1,556.84
Net profit for the year	-	-	(58.15)	-	-	(58.15)	(0.14)	(58.29)
Other comprehensive income for the year	-	-	2.01	-	(0.12)	1.89	-	1.89
Non-controlling interests acquired during the year transferred to Retained earnings			1.79			1.79	(1.79)	
Issue of shares pursuant to exercise of share options (refer note 45)	-	4.31	-	(1.48)	-	2.83	-	2.83
Payment of dividends (including dividend distribution tax)	-	-	(10.78)	-	-	(10.78)	-	(10.78)
Employee stock compensation expenses	-	-	-	(1.31)	-	(1.31)	-	(1.31)
Balance as at March 31, 2022	**0.01**	**1,216.03**	**273.72**	**1.00**	**(1.89)**	**1,488.87**	**2.31**	**1,491.18**
Net profit for the year	-	-	(22.65)	-	-	(22.65)	(0.07)	(22.72)
Other comprehensive income for the year	-	-	(1.76)	-	(0.30)	(2.06)	-	(2.06)
Employee stock compensation expenses	-	-	-	0.05	-	0.05	-	0.05
Balance as at March 31, 2023	**0.01**	**1,216.03**	**249.31**	**1.05**	**(2.19)**	**1,464.21**	**2.24**	**1,466.45**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number: 117366W/W-100018

Sathya P Koushik
Partner
Membership Number: 206920

Place : Bengaluru
Date : May 12, 2023

For and on behalf of Board of Directors

Jitesh Devendra
Managing Director
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Company Secretary
Membership Number: 13372

S. Hariharan
Executive Director and
Chief Financial Officer
DIN: 05297969

Place : Bengaluru
Date : May 12, 2023

1 BACKGROUND

Solara Active Pharma Sciences Limited (hereinafter referred as “the Company”) is a public limited Company incorporated on February 23, 2017 under the provisions of Companies Act, 2013 with the object of, inter alia, undertaking the business of manufacturing, production, processing, formulating, sale, import, export, merchandising, distributing, trading of and dealing in active pharmaceutical ingredients. The Company has its registered address at 201, Devavrata, Sector 17, Vashi, Navi Mumbai 400 703. The Company and its subsidiaries are together referred as “Group”.

The consolidated financial statements were approved by the Board of Directors and authorised for issue on May 12, 2023.

These financial statements comprise the Consolidated Balance sheet of the Company, Consolidated Statement of Profit and Loss (including Other Comprehensive Income) and Consolidated Cash flow statement, Consolidated statement of changes in equity and significant accounting policies and other explanatory information (together the “consolidated financial statements”).

2.1 Significant accounting policies

(i) Statement of compliance

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

(ii) Basis of measurement

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

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

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

(iii) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group’s voting rights in an investee are sufficient to give it power, including:

- the size of the Company’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions

need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated statement of profit and loss from the date the Group gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Details of subsidiaries considered in these consolidated financial statements.

Sr. No	Name of the Subsidiary	% of Holding	Country of Incorporation
1	Chemsynth Laboratories Private Limited	49%	India
2	Sequent Penems Private Limited	100%	India
3	Shasun USA Inc	100%	USA
4	Solara Active Pharma Sciences LTDA*	100%	Brazil

* Subsidiary company incorporated on March 27, 2023 and no Investment made by the Company as on balance sheet date.

All the above companies are engaged in the business of Pharmaceutical products

(iv) Business combinations

Acquisitions of businesses (other than business combination between common control) are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in statement of profit and loss as incurred.

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

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee. Identity of the reserves appearing in the financial statements of the transferor is preserved and appears in the financial statements of the transferee in the same form. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

(v) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

(vi) Revenue recognition

Revenue is measured at the amount of consideration which the Group expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government) and is recorded net of provisions for sales discounts and returns, which are established at the time of sale. Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional. Where the collection of accounts receivable is expected to be after one year from the date of sale, revenues are discounted for the time value of money.

Sale of goods

The Group receives revenue for supply of pharmaceutical products to external customers against orders received. The majority of these contracts contain single performance obligation for supply of goods. The average duration of a customers' order is less than 12 months.

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

Sale of services

Revenue from development services is recognised on achievement of a development milestone and when it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

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

Share of Profit and Royalties

Share of profits and royalty incomes under manufacturing and supply agreements with customers are accrued based on sales as confirmed by the customers.

(vii) Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(viii) Export Incentives

Export incentives are accrued for based on fulfillment of eligibility criteria for availing the incentives and when there is no uncertainty in receiving the same. These incentives include estimated realisable values/benefits from special import licenses and benefits under specified schemes as applicable.

(ix) Leases

The Group as lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Contracts in which all the risks and rewards of the lease are substantially transferred to the lessee are classified as a finance lease. All other leases are classified as operating leases.

Leases, for which the Group is an intermediate lessor, it accounts for the head-lease and sub-lease as two separate contracts. The sub-lease is classified as a finance lease or an operating lease by reference to the RoU asset arising from the head-lease.

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

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

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

The Group as lessee

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

(a) the use of an identified asset,

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

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

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

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

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

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

(x) Foreign currencies transactions and translation

Functional currency of an entity is the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Indian Rupees (₹), which is the functional currency of the parent Group, Solara Active Pharma Sciences Limited. In respect of subsidiaries whose operations are self-contained and integrated within their respective countries/regions, the functional currency has been determined to be the local currency of those countries/regions.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

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

(xi) Borrowing costs

Borrowing costs include:

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

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

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

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

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

All other borrowing costs are recognised in Consolidated statement of profit and loss in the period in which they are incurred.

(xii) Employee benefits

Short term obligations

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

Retirement benefit costs and termination benefits

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

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

The Group presents the first two components of defined benefit costs in Consolidated statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

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

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

Defined contribution plan

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

Compensated absences

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

(xiii) Taxation

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

Current tax

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

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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

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

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

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

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

Current and deferred tax for the period

Current and deferred tax are recognised in Consolidated statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Notes

to the consolidated financial statements for the year ended March 31, 2023

(xiv) Property, plant and equipment

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

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

Freehold land is not depreciated.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

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

Building	: 10 - 60 years
Plant & Machinery	: 8 - 20 years
Vehicles	: 5 years
Office Equipment	: 3 - 5 years

Individual assets costing less than ₹ 5,000 are depreciated in full in the year of purchase.

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

(xv) Investment property

Properties that is held for long-term rentals or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of the investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property are depreciated using the straight line method over their estimated useful lives. Investment properties generally have a useful life of 25-40 years. The useful life has been determined based on technical evaluation performed by the management's expert.

(xvi) Intangible assets

Intangible assets acquired separately

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

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

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

Useful lives of intangible assets

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Product portfolio	: 10 years
Software Licenses	: 3 - 5 years
Registration and brands	: 5 - 10 years

(xvii) Impairment of assets

Impairment of financial assets:

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

Impairment of goodwill

For the purposes of impairment testing, goodwill is allocated to cash-generating units. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which such goodwill arose.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in Consolidated statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Impairment of non-financial assets other than goodwill

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

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

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

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

(xviii) Inventories

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

Raw materials, packing materials and consumables: weighted average basis

Work-in progress: at material cost and an appropriate share of production overheads

Finished goods: material cost and an appropriate share of production overheads

Stock-in trade: weighted average basis

(xix) Provisions

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

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

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

Onerous contracts

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

(xx) Contingent liabilities

Contingent liabilities are disclosed in notes when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(xxi) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities

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

Initial recognition and measurement:

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

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

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

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

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

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

(xxii) Operating Cycle

Based on the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months. The above basis is used for classifying the assets and liabilities into current and non-current as the case may be.

(xxiii) Dividend and dividend distribution tax

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. The Company declares and pays dividends in Indian rupees and are subject to applicable distribution taxes. The applicable distribution taxes are linked more directly to past transactions or events that generated distributable profits than to distribution to owners and accordingly, recognized in profit or loss or other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The Finance Act 2020 has abolished the Dividend Distribution Tax (DDT) and has shifted the tax liability on dividends to the shareholders. Accordingly, the Company distributes the dividend after deducting the taxes at applicable rates

(xxiv) Critical accounting judgement and key sources of estimation uncertainty

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

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

Critical accounting judgement

Chemsynth Laboratories Private Limited ("Chemsynth") is considered subsidiary of the Group even though the Group and non-controlling interests have about 50% of the ownership interest and the voting rights. The directors of the Group assessed whether or not the Group has control over Chemsynth based on whether the Group has the practical ability to direct the relevant activities unilaterally. Based on such assessment, the directors concluded that the Group has sufficient management rights to unilaterally direct the relevant activities of Chemsynth and therefore the Group has control.

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

Impairment of goodwill and other non-financial assets

Determining whether the asset is impaired requires to assess the recoverable amount of the asset or Cash Generating Unit (CGU) which is compared to the carrying amount of the asset or CGU, as applicable. Recoverable amount is the higher of fair value less costs of disposal and value in use. Where the carrying amount of an asset or CGU exceeds the recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a impairment loss may arise.

Impairment of financial assets

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

Useful lives of property, plant and equipment

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

Defined benefit plans and compensated absences:

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

Income taxes

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of deferred tax assets considered realisable, however, could reduce in the near term if estimates of future taxable income during the carry-forward period are reduced.

Controlling parties assessment

The Company perform assessment for identification of controlling parties. The assessment involves judgements which included consideration of controlling parties' absolute size of holding in the Company, determination of whether other parties are acting on the investor's behalf, determination of whether parties have the practical ability to exercise that right and the relative size of and dispersion of the shareholdings owned by the other shareholders.

Litigations

The Group is a party to certain direct and indirect tax disputes. Uncertain tax items for which a provision is made relate principally to the interpretation of tax legislation applicable to arrangements entered into by the Group. Due to the uncertainty associated with such tax items, it is possible that, on conclusion of open tax matters at a future date, the final outcome may differ significantly.

Leases under Ind AS 116:

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

Notes

to the consolidated financial statements for the year ended March 31, 2023

NOTE NO. 3 PROPERTY, PLANT AND EQUIPMENT

₹ in Crores

Particulars	Gross block				Accumulated depreciation				Net block	
	As at April 01, 2022	Additions	Disposals	As at March 31, 2023	As at April 01, 2022	Depreciation for the year	Eliminated on disposal	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Freehold Land	78.25	0.01	-	78.26	-	-	-	-	78.26	78.25
	(77.36)	(0.89)	-	(78.25)	-	-	-	-	(78.25)	(77.36)
Leasehold Improvements	15.00	0.92	-	15.92	11.86	2.19	-	14.05	1.87	3.14
	(14.67)	(0.33)	-	(15.00)	(9.26)	(2.60)	-	(11.86)	(3.14)	(5.41)
Buildings	291.76	25.49	0.04	317.21	43.59	12.41	0.04	55.96	261.25	248.17
	(272.73)	(19.25)	(0.22)	(291.76)	(31.57)	(12.07)	(0.05)	(43.59)	(248.17)	(241.16)
Plant and equipments	759.32	90.38	3.25	846.45	261.51	72.99	1.58	332.92	513.53	497.81
	(699.20)	(61.98)	(1.86)	(759.32)	(190.55)	(72.19)	(1.23)	(261.51)	(497.81)	(508.65)
Furniture and fixtures	7.09	0.06	0.11	7.04	3.24	0.69	0.08	3.85	3.19	3.85
	(6.84)	(0.25)	-	(7.09)	(2.43)	(0.81)	-	(3.24)	(3.85)	(4.41)
Vehicles	1.39	-	0.01	1.38	0.86	0.13	0.01	0.98	0.40	0.53
	(1.32)	(0.07)	-	(1.39)	(0.66)	(0.20)	-	(0.86)	(0.53)	(0.66)
Office equipments	38.60	1.55	0.20	39.95	28.07	3.73	0.16	31.64	8.31	10.53
	(36.67)	(1.96)	(0.03)	(38.60)	(22.40)	(5.69)	(0.02)	(28.07)	(10.53)	(14.27)
Total	**1,191.41**	**118.41**	**3.61**	**1,306.21**	**349.13**	**92.14**	**1.87**	**439.40**	**866.81**	**842.28**
Previous year	**(1,108.79)**	**(84.73)**	**(2.11)**	**(1,191.41)**	**(256.87)**	**(93.56)**	**(1.30)**	**(349.13)**	**(842.28)**	**(851.92)**

Notes:

(i) Figures in brackets relates to previous year.

(ii) Refer note 22 for properties, plant and equipment pledged as security towards borrowings by the Group.

(iii) The title deeds of freehold land and building (as at March 31, 2023 gross block ₹ 176.46 Crores and net block of ₹ 149.66 Crores) (as at March 31, 2022: gross block ₹ 171.12 Crores and net block of ₹ 149.27 Crores) capitalised in the books of the Company are in the name of erstwhile Companies as given below. The Company is in the process transferring the title deeds of such properties in its name.

Relevant line item in the Balance sheet	Description of item of property	Gross Value of property	Title deed held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Property Plant and Equipment	Freehold Land	0.21 (0.21)	Shasun Drugs wholly owned by Messrs . Shasun Chemicals (Madras) Pvt. Ltd.	No	October 1, 2017	The title deeds are in the name of transferor Companies, which were transferred to the Company pursuant to the Composite Scheme of Arrangement as approved by the National Company Law Tribunal. The company is in the process of transferring in its name.
Property Plant and Equipment	Buildings	85.41 (83.00)	Shasun Drugs wholly owned by Messrs . Shasun Chemicals (Madras) Pvt. Ltd.	No	October 1, 2017	The title deeds are in the name of transferor Companies, which were transferred to the Company pursuant to the Composite Scheme of Arrangement as approved by the National Company Law Tribunal. The company is in the process of transferring in its name.
Property Plant and Equipment	Freehold Land	0.33 (0.33)	Shasun Chemicals and Drugs Limited	No	October 1, 2017	The title deeds are in the name of transferor Companies, which were transferred to the Company pursuant to the Composite Scheme of Arrangement as approved by the National Company Law Tribunal. The company is in the process of transferring in its name.
Property Plant and Equipment	Freehold Land	2.09 (2.09)	Strides Shasun Limited	No	October 1, 2017	The title deeds are in the name of transferor Companies, which were transferred to the Company pursuant to the Composite Scheme of Arrangement as approved by the National Company Law Tribunal. The company is in the process of transferring in its name.
Property Plant and Equipment	Freehold Land	52.18 (52.18)	Sequent Scientific Limited	No	October 1, 2017	The title deeds are in the name of transferor Companies, which were transferred to the Company pursuant to the Composite Scheme of Arrangement as approved by the National Company Law Tribunal. The company is in the process of transferring in its name.
Property Plant and Equipment	Buildings	36.10 (33.11)	Sequent Scientific Limited	No	October 1, 2017	The title deeds are in the name of transferor Companies, which were transferred to the Company pursuant to the Composite Scheme of Arrangement as approved by the National Company Law Tribunal. The company is in the process of transferring in its name.
Property Plant and Equipment	Freehold Land	0.14 (0.16)	Shasun Pharmaceuticals Limited	No	October 1, 2017	The title deeds are in the name of transferor Companies, which were transferred to the Company pursuant to the Composite Scheme of Arrangement as approved by the National Company Law Tribunal. The company is in the process of transferring in its name.
Property Plant and Equipment	Freehold Land	- (0.04)	C. Baskar Rao	No	October 1, 2017	The title deeds are in the name of erstwhile employee of the Company. The titles deeds have been transferrred to the Company's name during the financial year.
Total		**176.46**				
Previous year		**(171.12)**				

Notes

to the consolidated financial statements for the year ended March 31, 2023

NOTE NO. 4 LEASES

(i) Right-of-use assets

₹ in Crores

Particulars	Gross block				Accumulated depreciation				Net block	
	As at April 01, 2022	Additions	Disposals	As at March 31, 2023	As at April 01, 2022	Depreciation for the year	Eliminated on disposal	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Leasehold Land	59.85	-	-	59.85	4.50	1.58	-	6.08	53.77	55.35
	(59.85)	-	-	(59.85)	(2.92)	(1.58)	-	(4.50)	(55.35)	(56.93)
Buildings	9.68	-	9.68	-	8.54	1.13	9.67	-	-	1.14
	(9.68)	-	-	(9.68)	(7.31)	(1.23)	-	(8.54)	(1.14)	(2.37)
Total	**69.53**	**-**	**9.68**	**59.85**	**13.04**	**2.71**	**9.67**	**6.08**	**53.77**	**56.49**
Previous year	**(69.53)**	**-**	**-**	**(69.53)**	**(10.23)**	**(2.81)**	**-**	**(13.04)**	**(56.49)**	**(59.30)**

Notes:

(i) Figures in brackets relates to previous year.

(ii) Lease liabilities

₹ in Crores

Particulars	As at March 31, 2022	As at March 31, 2022
Opening balance	12.80	13.82
Addition	-	-
Accretion of interest	1.33	1.44
Payments	(2.43)	(2.46)
Deletion	-	-
Closing balance	**11.70**	**12.80**
Maturity analysis:		
- Year 1	0.87	2.43
- Year 2	0.92	0.87
- Year 3	0.96	0.92
- Year 4	1.01	0.96
- Year 5	1.06	1.01
- Year 6 onwards	50.26	51.30
- Less: Unmatured finance charges	(43.38)	(44.69)
Total	**11.70**	**12.80**
Non-current	11.15	10.70
Current	0.55	2.10

(iii) Amounts recognised in the consolidated statement of Profit or Loss

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Depreciation charge on Right-of-use asset	2.71	2.81
Finance cost: Interest expense	1.33	1.44
Short term lease payments (Refer Note (i) below)	1.29	2.49

Note:

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

(iv) Amounts recognised in the consolidated statement of cash flows

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Cash outflows for lease payments	2.43	2.46

NOTE NO. 5 CAPITAL WORK IN PROGRESS

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	238.65	87.98
Add: Additions	120.33	238.72
Less: Capitalised	(120.51)	(88.05)
Closing balance	**238.47**	**238.65**

Notes:

(i) Ageing of Capital work in progress:

Particulars	Amount in Capital work in progress for a period of				As at 31st March, 2023	As at 31st March, 2022
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Project in progress	80.40	115.34	42.09	0.64	238.47	(238.65)
	(178.71)	(55.08)	(4.87)	-	(238.65)	
Total	**80.40**	**115.34**	**42.09**	**0.64**	**238.47**	**(238.65)**
Previous year	**(178.71)**	**(55.08)**	**(4.87)**	**-**	**(238.65)**	

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

NOTE NO. 6 INVESTMENT PROPERTY

₹ in Crores

Particulars	Gross block				Accumulated depreciation				Net block	
	As at April 01, 2022	Additions	Disposals	As at March 31, 2023	As at April 01, 2022	Depreciation for the year	Eliminated on disposal	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Land	8.24	-	-	8.24	-	-		-	8.24	8.24
	(8.24)	-	-	(8.24)	-	-	-	-	(8.24)	(8.24)
Buildings	19.21	-	-	19.21	2.86	0.65	-	3.51	15.70	16.35
	(19.21)	-	-	(19.21)	(2.18)	(0.68)	-	(2.86)	(16.35)	(17.03)
Total	**27.45**	**-**	**-**	**27.45**	**2.86**	**0.65**	**-**	**3.51**	**23.94**	**24.59**
Previous year	**(27.45)**	**-**	**-**	**(27.45)**	**(2.18)**	**(0.68)**	**-**	**(2.86)**	**(24.59)**	**(25.27)**

Notes:

(i) Figures in brackets relates to previous year.

(ii) Refer note 22 for investment properties pledged as security towards borrowings by the Group.

(iii) The title deeds of investment property (as at March 31, 2023 gross block ₹ 3.02 Crores and net block of ₹ 2.49 Crores) (as at March 31, 2022: gross block ₹ 3.02 Crores and net block of ₹ 2.58 Crores) capitalised in the books of the Group are in the name of erstwhile Companies as given below. The Group is in the process transferring the title deeds of such properties in its name.

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Relevant line item in the Balance sheet	Description of item of property	Gross Value of property	Title deed held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Investment Property	Buildings	3.02 (3.02)	Sequent Scientific Limited	No	October 1, 2017	The title deeds of land and building are in the name of transferor Companies, which were transferred to the Company pursuant to the Composite Scheme of Arrangement as approved by the National Company Law Tribunal. The Company is in the process of transferring the title deeds of such properties in its name.
Total		**3.02**				
Previous year		**(3.02)**				

(vi) Details of assets given under an operating lease:

₹ in Crores

Particulars	Gross block		Net block	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Land	8.24	8.24	8.24	8.24
Buildings*	19.21	19.21	15.70	16.35

* There is no rental income from building situated in Ambernath from January 2023 and the Company current focus is on finding a new lessee to rent out the property and accordingly the property has been classified as 'Investment Property'.

(vii) Fair value of investment properties:

The Group obtains independent valuations for its investment properties once in three years. The latest fair value of the Group's investment properties were carried out as at March 31, 2021 which indicated fair value of ₹ 80.67 Crores on the basis of a valuation carried out by independent valuers. The said valuers are registered with the authority which governs valuers in India and have appropriate qualifications and relevant experience in the valuation of properties in the relevant locations.

The inputs used are as follows:

a) Valuation is done using discounted cash flow approach, where the value of an asset is measured in terms of future cash flow streams, discounted to the present time at 12.50%.

b) Lease rent agreements are cancellable which are expected to be renewed either with the existing lessee or with others, on similar terms and conditions.

(viii) Amounts recognised in the consolidated statement of Profit or Loss for investment properties

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Depreciation charge on investment properties	0.65	0.68
Other income: Rental income	4.45	5.59

NOTE NO. 7 GOODWILL

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Goodwill	365.09	365.09
Total	**365.09**	**365.09**

The above goodwill is allocated to the following cash generating units:

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Human API business	358.14	358.14
R&D business	0.43	0.43
Strides Chemicals Private Limited	6.52	6.52
Total	**365.09**	**365.09**

Impairment assessment of goodwill allocated to the "Human API business" as at March 31, 2023:

The Management of the Group have performed annual impairment assessment of the goodwill by determining the "value in use" of this Cash Generating Unit (CGU) as an aggregate of present value of cash flow projections covering a five year period and the terminal value. Determination of value in use involves significant estimates and assumptions that affect the reporting CGU's expected future cash flows. These estimates and assumptions, primarily include, but are not limited to, the revenue growth and profitability during the forecast period, the discount rate and the terminal growth rate.

Considering the historical performance of this business since acquisition and based on the forward looking estimates, including the changes in estimated future economic conditions, revisions were made to the cash flow projections and other key assumptions such as discount rate and the terminal growth rate. The cash flows are discounted using a post tax discount rate of 13.00% (March 31, 2022: 17.5%). The terminal value of cash generating unit is arrived at by extrapolating cash flows of latest forecasted year to perpetuity using a constant long-term growth rate of 4.00% (March 31, 2022: 2.75%) p.a. which is consistent with the industry forecasts for the generic API market.

The above assessment did not result in impairment in the carrying amount of goodwill.

The table below shows the percentage movement in key assumptions that (individually) would be required to reach the point at which the value in use approximates its carrying value.

	Movement
Terminal growth rate	2.00% decrease (2.75% decrease)
Post tax discount rate	1.50% increase (1.50% increase)
Expected net revenue growth rates	2% decrease for short term and 1.0% decrease for long term (3% decrease for short term and 1.5% decrease for long term)

The details given in brackets relate to previous year

Notes

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NOTE NO. 8 OTHER INTANGIBLE ASSETS

₹ in Crores

Particulars	Gross block				Accumulated depreciation				Net block	
	As at April 01, 2022	Additions	Disposals	As at March 31, 2023	As at April 01, 2022	Amortisation for the year	Eliminated on disposal	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Registrations and brands	4.33	-	-	4.33	1.61	0.44	-	2.05	2.28	2.72
	(4.33)	-	-	(4.33)	(1.17)	(0.44)	-	(1.61)	(2.72)	(3.16)
Product portfolio (Refer note (ii) below)	105.50	-	-	105.50	47.84	10.64	-	58.48	47.02	57.66
	(105.50)	-	-	(105.50)	(37.20)	(10.64)	-	(47.84)	(57.66)	(68.30)
Software and licenses	24.59	2.10	0.02	26.67	17.03	4.61	0.02	21.62	5.05	7.56
	(21.46)	(3.32)	(0.19)	(24.59)	(12.94)	(4.19)	(0.10)	(17.03)	(7.56)	(8.52)
Total	**134.42**	**2.10**	**0.02**	**136.50**	**66.48**	**15.69**	**0.02**	**82.15**	**54.35**	**67.94**
Previous year	**(131.29)**	**(3.32)**	**(0.19)**	**(134.42)**	**(51.31)**	**(15.27)**	**(0.10)**	**(66.48)**	**(67.94)**	**(79.98)**

Notes:

(i) Figures in brackets relates to previous year.

(ii) The remaining amortisation period of product portfolio as at March 31, 2023 is 4.5 years (March 31, 2022: 5.5 years).

NOTE NO. 9 INVESTMENTS

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Investments carried at fair value through profit and loss:		
Equity shares, unquoted		
Tulysan Nec Limited, India	0.01	0.01
- 3,750 (As at March 31, 2022 - 3,750) shares of ₹ 10 each fully paid up		
Watsun Infrabuild Private Limited, India	0.37	0.37
- 3,68,694 (As at March 31, 2022 - 3,68,694) shares of ₹ 10 each fully paid up		
Vaayu Renewable Energy (Muthamalpuram) Pvt. Ltd.	0.00	0.00
- 2,600 (As at March 31, 2022 - 2600) shares of ₹ 10 each fully paid up		
Investment in Huoban Energy 3 Private Limited	1.28	-
- 7,07,182 (As at March 31, 2022 - Nil) shares of ₹ 10 each fully paid up		
SIPCOT Industrial Common Utilities Limited, India	0.04	0.04
- 4,242 (As at March 31, 2022 - 4,242) shares of ₹ 100 each fully paid up		
Total	**1.70**	**0.42**
Aggregate amount of unquoted investments	1.70	0.42
Aggregate amount financial assets carried at cost	-	-
Aggregate amount financial assets carried at fair value through profit and loss	1.70	0.42

Note:

(i) During the current year, the Parent has invested in 7,07,182 shares of ₹ 10 each of Huoban Energy 3 Private Limited for 26% stake in order to become captive user as per electricity laws, resulting to electricity at subsidised prices. As per the share holder agreement, the Parent is not allowed to directly or indirectly participate in the management of Huoban Energy. As there is no significant influence by the Parent over Huoban Energy, it is not considered an associate company.

NOTE NO. 10 LOANS

(i) Non-current loans

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Considered good - unsecured:		
Loans to employees	-	0.27
Total	**-**	**0.27**

(ii) Current loans

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Considered good - unsecured:		
Loans to employees	0.27	1.58
Loan to related party*	-	50.00
Loan to Other than related parties*	32.35	-
Total	**32.62**	**51.58**

(iii) Loans to Promoters, Directors, KMP and Related Parties as at March 31, 2023

Particulars	Amount of loan or advance in the nature of loan outstanding*	Percentage to the total Loans and Advances in the nature of loans
Related Parties	-	0%

(iv) Loans to Promoters, Directors, KMP and Related Parties as at March 31, 2022

Particulars	Amount of loan or advance in the nature of loan outstanding*	Percentage to the total Loans and Advances in the nature of loans
Related Parties	50.00	96%

* Subsequent to August 3, 2022, Aurore Life Sciences Private Limited (ALS) is not a related party of the Company (Refer note 40). Accordingly, loan given to ALS has been classified as 'Loan to other than related parties' for the year ended March 31, 2023.

The loan was originally fully repayable by September 30, 2022. The repayment period for the loan was extended vide Board meeting dated August 4, 2022 upto March 31, 2023.

Further, in April 14, 2023, the Board through a circular resolution, approved extension of the repayment period upto October 31, 2023.

NOTE NO. 11 OTHER FINANCIAL ASSETS

(i) Non-current financial assets

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Considered good - unsecured:		
Security deposits	14.46	12.52
Total	**14.46**	**12.52**

(ii) Current financial assets

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Considered good - unsecured:		
Interest accrued on deposit	-	1.38
Interest accrued on loans given	0.98	1.17
Incentives receivables	12.25	6.94
Insurance claim receivables	-	0.04
Total	**13.23**	**9.53**

NOTE NO. 12 DEFERRED TAX BALANCES

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax assets	161.87	135.99
Deferred tax liabilities	(83.31)	(80.85)
Deferred tax assets/ (liabilities) (net)	**78.56**	**55.14**

₹ in Crores

2022-23	Opening balance	Recognised in statement of profit or loss	Recognised in other comprehensive income	Adjusted with Provision for tax	Closing balance
Property, plant and equipment	(69.45)	(3.99)	-	-	(73.44)
Intangible assets - other than goodwill	(11.40)	1.53	-	-	(9.87)
Right-of-use assets	4.36	0.39	-	-	4.75
Provision for employee benefits	15.16	1.85	0.94	-	17.95
Provision for doubtful receivables	9.45	0.57	-	-	10.02
Carry forward business loss and unabsorbed depreciation	37.07	22.11	-	-	59.18
MAT Credit entitlement	69.95	0.02	-	-	69.97
Total	**55.14**	**22.48**	**0.94**	**-**	**78.56**

₹ in Crores

2021-22	Opening balance	Recognised in statement of profit or loss	Recognised in other comprehensive income	Adjusted with Provision for tax	Closing balance
Property, plant and equipment	(70.49)	1.04	-	-	(69.45)
Intangible assets - other than goodwill	(12.20)	0.80	-	-	(11.40)
Right-of-use assets	3.95	0.41	-	-	4.36
Provision for employee benefits	15.90	0.34	(1.08)	-	15.16
Provision for doubtful receivables	5.99	3.46	-	-	9.45
Carry forward business loss and unabsorbed depreciation	10.09	26.98	-	-	37.07
MAT Credit entitlement	72.37	(0.05)	-	(2.37)	69.95
Total	**25.61**	**32.98**	**(1.08)**	**(2.37)**	**55.14**

Notes:

(i) The Group has presently, decided not to opt for the New Tax Regime inserted as section 115BAA of the Income-tax Act, 1961 and enacted by the Taxation Laws (Amendment) Ordinance, 2019 ('the Ordinance') which is applicable from Financial Year beginning April 1, 2019. Company has accordingly applied the existing tax rates in the financial statements for the year ended March 31, 2023.

(ii) Under the Indian Income Tax Act, 1961, the Group is liable to pay Minimum Alternate Tax (MAT). MAT paid can be carried forward for a certain period and can be set off against the future tax liabilities. MAT is recognised as deferred tax asset only when the asset can be measured reliably and it is probable that the future economic benefits associated with the asset will be realised.

(iii) During FY 2017-18, the Group acquired the Human API and Commodity API businesses vide a NCLT approved Scheme of demerger. For purposes of recognising tax expenses and deferred tax balances in the books of account, the Group has considered Goodwill as non-tax deductible and the Group continued to apply the initial recognition exemption under Ind AS 12 "Income taxes".

(iv) Based on legal advice received by the Group, the Group has claimed in its income tax returns, depreciation on Goodwill and Product Portfolios relating to both businesses acquired through the aforesaid demerger. These claims were disallowed by the assessing officer and the Company's appeal is pending at the Commission of Income Tax. The Group has conservatively not recognised deferred tax assets in the books of account in respect of claims relating to depreciation on the Goodwill relating to both the businesses and Product portfolio (relating to the Commodity API business).

While the Group has consistently taken a conservative view as aforesaid in the books of account, the Group has been legally advised that the claims made in the tax returns are tenable. As at March 31, 2023, the potential unrecognised tax credits in respect of the above amount to ₹ 579.01 Crores. The benefit of these tax credits will be evaluated and recognized in the year in which, based on management's best judgement, such credits are confirmed to be available for future set offs against taxable profits. Also refer note 40, regarding income tax litigations.

NOTE NO. 13 INCOME TAX ASSETS (NET)

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Advance income tax (net of provisions)	4.52	18.29
Total	**4.52**	**18.29**

NOTE NO. 14 OTHER ASSETS

(i) Other non-current assets

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Considered good - unsecured:		
Capital advances	8.74	22.70
Prepaid expenses	0.51	0.48
Balances with government authorities		
- VAT/CST refund receivable	0.82	0.82
Considered doubtful - unsecured:		
Capital advances	0.61	0.61
Advances to others	7.55	7.55
Less: Allowance for doubtful advances	(8.16)	(8.16)
	-	-
Total	**10.07**	**24.00**

(ii) Other current assets

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Considered good - unsecured:		
Advances to suppliers	3.21	4.41
Advances to employees	0.25	0.44
Prepaid expenses	9.99	8.41
Balances with government authorities:		
- GST credit & other receivable	24.27	52.44
Considered doubtful - unsecured:		
Advances to suppliers	0.06	0.12
Less: Allowance for doubtful advances	(0.06)	(0.12)
	-	-
Total	**37.72**	**65.70**

Notes

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NOTE NO. 15 INVENTORIES

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials	116.59	128.56
- Goods-in-transit	2.61	2.54
Work-in-progress	274.99	249.65
Finished goods	155.78	188.17
Stores and spares	8.12	6.63
Total	**558.09**	**575.55**

Note:

(i) Value by which inventories have been written down to net realisable value amounted to ₹ 7.30 Crores (As at March 31, 2022: ₹ 6.83 Crores)

(ii) As at March 31, 2023, the Company carries inventories relating to Antivirals/ COVID-19 of ₹ 117.33 Crores. The Company expects to liquidate these inventories within its shelf life.

NOTE NO. 16 TRADE RECEIVABLES

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables considered good - unsecured	536.99	489.67
Trade receivables - credit impaired	16.20	10.54
	553.19	500.21
Less: Allowances for credit loss	(16.20)	(10.54)
Total	**536.99**	**489.67**

Notes:

(i) Outstanding for the following period from due date of payments:

₹ in Crores

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2023
(i) Undisputed Trade Receivables - Considered Good	462.06	16.74	52.40	-	-	531.20
(ii) Undisputed Trade Receivables - credit impaired	-	0.39	15.25	0.56	-	16.20
(iii) Disputed Trade Receivables - Considered Good	-	5.79	-	-	-	5.79
Total	**462.06**	**22.92**	**67.65**	**0.56**	**-**	**553.19**

(ii) Outstanding for the following period from due date of payments:

₹ in Crores

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2022
(i) Undisputed Trade Receivables - Considered Good	466.11	23.56	-	-	-	489.67
(ii) Undisputed Trade Receivables - credit impaired	-	5.36	3.84	0.08	1.26	10.54
Total	**466.11**	**28.92**	**3.84**	**0.08**	**1.26**	**500.21**

(iii) In determining the allowance for doubtful trade receivables, the Group has used a practical expedient by computing the expected credit allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

(iv) Movement in expected credit loss allowance:

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	10.54	1.72
Add: Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	5.66	8.82
Closing balance	**16.20**	**10.54**

(v) The Group has receivable from two customers aggregating to ₹ 65.31 Crores which are overdue as on balance sheet date. Based on the arrangement with the customers, these balances are expected to be received within twelve months from balance sheet date.

NOTE NO. 17 CASH AND CASH EQUIVALENTS

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	0.10	0.04
Balance with banks:		
- In current accounts	8.58	3.87
- In deposit accounts	0.05	42.47
Total	**8.73**	**46.38**

NOTE NO. 18 BANK BALANCES OTHER THAN ABOVE

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
In earmarked accounts:		
Unpaid dividend accounts	0.16	0.17
Balance held as margin money		
- against working capital facilities with banks	-	0.70
Total	**0.16**	**0.87**

NOTE NO. 19 EQUITY SHARE CAPITAL

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised		
120,000,000 equity shares of ₹ 10/- each with voting rights	120.00	120.00
(March 31, 2022: 120,000,000 equity shares of ₹ 10/- each)		
	120.00	**120.00**
Issued, subscribed and fully paid-up		
35,996,267 equity shares of ₹ 10/- each with voting rights	36.00	36.00
(March 31, 2022: 35,996,267 equity shares of ₹ 10/- each)		
Total	**36.00**	**36.00**

(i) Reconciliation of number of shares and amount outstanding

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Equity share capital				
Equity share of ₹ 10/- each				
Opening balance	**35,996,267**	**36.00**	**35,929,767**	**35.93**
Issue of shares pursuant to pursuant to exercise of stock options (Refer note 45)	-	-	66,500	0.07
Closing balance	**35,996,267**	**36.00**	**35,996,267**	**36.00**

(ii) Detail of the rights, preferences and restrictions attaching to each class of shares outstanding equity shares of ₹ 10/- each:

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

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	%	No. of shares	%
TPG Growth IV SF Pte. Ltd.	4,130,321	11.47%	4,130,321	11.47%
Devicam Capital LLP	3,053,045	8.48%	151,546	0.42%
Pronomz Ventures LLP	2,332,463	6.48%	2,121,243	5.89%
Arun Kumar Pillai	1,668,463	4.64%	3,168,463	8.80%
Karuna Business Solutions LLP	1,441,370	4.00%	2,841,370	7.89%

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

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Arun Kumar Pillai	3,168,463	(1,500,000)	1,668,463	4.64%	-47.34%
Karuna Business Solutions LLP	2,841,370	(1,400,000)	1,441,370	4.00%	-49.27%
Pronomz Ventures LLP	2,121,243	211,220	2,332,463	6.48%	9.96%
SRJR Enterprise LLP	1,700,100	-	1,700,100	4.72%	0.00%
K R Ravishankar	1,325,260	-	1,325,260	3.68%	0.00%
Chayadeep Ventures LLP	1,005,000	7,400	1,012,400	2.81%	0.74%
Agnus Capital LLP	849,635	-	849,635	2.36%	0.00%
Chayadeep Properties Private Limited	525,730	-	525,730	1.46%	0.00%
Devicam Capital LLP	151,546	2,901,499	3,053,045	8.48%	1914.60%
"Karuna Ventures Private Limited"	103,333	-	103,333	0.29%	0.00%
Agnus Holdings Pvt. Ltd.	72,181	200,000	272,181	0.76%	277.08%
Deepa Arun Kumar	53,500	4,502	58,002	0.16%	8.41%
Tarini Arun Kumar	53,333	-	53,333	0.15%	0.00%
Aditya Arun Kumar	53,333	-	53,333	0.15%	0.00%
Vineetha Mohanakumar Pillai	49,166	-	49,166	0.14%	0.00%
Padmakumar Karunakaran Pillai	41,393	-	41,393	0.11%	0.00%
Hemalatha Pillai	35,813	10,000	45,813	0.13%	27.92%
Sajitha Pillai	33,333	20,000	53,333	0.15%	60.00%
Rajitha Gopalakrishnan	27,500	-	27,500	0.08%	0.00%
K R Lakshmi	21,727	-	21,727	0.06%	0.00%
Agraganya Private Trust	61,224	-	61,224	0.17%	0.00%
Total	**14,294,183**	**454,621**	**14,748,804**		

(v) Details of shares reserved for issue under options and contracts/commitments for the sale of shares:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Towards employee stock options	406,778	0.41	406,778	0.41

NOTE NO. 20 OTHER EQUITY

₹ in Crores

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
Capital reserve	20 (i)	0.01	0.01
Securities premium account	20 (ii)	1,216.03	1,216.03
Retained earnings	20 (iii)	249.31	273.72
Share options outstanding account	20 (iv)	1.05	1.00
Foreign currency translation reserve	20 (v)	(2.19)	(1.89)
Total		**1,464.21**	**1,488.87**

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
(A) Reserves and surplus		
(i) Capital reserve		
Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserve.		
Opening balance	0.01	0.01
Closing balance	**0.01**	**0.01**
(ii) Securities premium account		
Amounts received on issue of shares in excess of the par value has been classified as securities premium.		
Opening balance	1,216.03	1,211.72
Add: Premium on shares issued during the year pursuant to exercise of options (Refer note 45)	-	4.31
Closing balance	**1,216.03**	**1,216.03**
(iii) Retained earnings		
Retained earnings comprises of the amounts that can be distributed by the Company as dividends to its equity share holders.		
Opening balance	273.72	338.85
Add: Net profit attributable to owners of the Company	(22.65)	(58.15)
Add: Non-controlling interests acquired during the year	-	1.79
Less: Dividend paid	-	(10.78)
Add: Other comprehensive income arising from measurement of defined benefit obligation (net of tax)	(1.76)	2.01
Closing balance	**249.31**	**273.72**
(iv) Share options outstanding account		
The share option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account will be transferred to securities premium reserve upon exercise of stock options by employees.		
Opening balance	1.00	3.79
Add: Employee stock compensation expenses	0.05	(1.31)
Less: Transferred to securities premium account on exercise (net)	-	(1.48)
Closing balance	**1.05**	**1.00**
Note: Employee stock compensation expenses for the year ended March 31, 2022 is negative as it is net-off of stock options lapsed during the year.		
Total Reserves and surplus (A)	**1,466.40**	**1,490.76**

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₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
(B) Items of other comprehensive income		
(v) Foreign currency translation reserve		
Foreign currency translation reserve comprises of exchange (gain)/loss arising on translation of foreign subsidiary		
Opening balance	(1.89)	(1.77)
Add / (Less): Movement during the period	(0.30)	(0.12)
Closing balance	**(2.19)**	**(1.89)**
Total items of other comprehensive income (B)	**(2.19)**	**(1.89)**
Attributable to equity holders of the Company [A + B]	**1,464.21**	**1,488.87**

Notes:

Distributions made:

(i) The Company has not declared any dividend during the year ended March 31, 2023 and March 31, 2022.

(ii) The Board of Directors at their meeting held on May 06, 2021 had recommended a final dividend of ₹ 3/- per equity share of ₹ 10/- each for the financial year ended March 31, 2021 which was approved by the shareholders at the Annual General Meeting held on August 25, 2021. The aforesaid dividend was paid during the previous year.

NOTE NO. 21 NON-CONTROLLING INTERESTS

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	2.31	4.24
Add: Profit for the year	(0.07)	(0.14)
Less: Non-controlling interests acquired during the year transferred to Retained earnings	-	(1.79)
Closing balance	**2.24**	**2.31**

NOTE NO. 22 BORROWINGS

(i) Non-current borrowings

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
Term loans from banks (Refer note (i) to (vi) below)	205.42	245.81
Term loans from others (Refer note (vii) below)	29.68	37.23
Total	**235.10**	**283.04**

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

₹ in Crores

Terms of repayment and security	As at March 31, 2023	As at March 31, 2022
(i) Term loans from banks: Loan 1		
Non-current borrowings	71.17	118.10
Current maturities of non-current borrowings	47.44	47.45
Security: First Paripassu Charge on the Immovable Fixed Assets located at Pondicherry, Mangalore and Mysore of the Company and on all the movable Fixed Assets of the Company and Second Charge on Current Assets of the Company. Rate of interest: - 1 Year MCLR plus 1.65% p.a ,(MCLR 8.75%) Repayment terms: ₹ 3.95 Cr per month starting from Mar 22		
(ii) Term loans from banks: Loan 2		
Non-current borrowings	20.6	29.64
Current maturities of non-current borrowings	9.25	8.90
Security: First Paripassu Charge on the Movable and Immovable Fixed Assets (except lease hold land at Cuddalore, Vizag & Ambernath) of the Company and Second Charge on Current Assets of the Company. Rate of interest: - 6 months MCLR plus 1.20% p.a, (MCLR - 8.80%) Repayment terms: 0.98 Cr EMI per month starting from Feb 22		
(iii) Term loans from banks: Loan 3		
Non-current borrowings	48.61	63.51
Current maturities of non-current borrowings	15.29	6.25
Security: First paripassu charge on the movable and immovable fixed assets (except lease hold land at Cuddalore, Vizag & Ambernath) and second paripassu charge on current assets of the Company. Rate of interest: - 6 months MCLR plus 0.55% p.a, (MCLR - 8.80%) Repayment terms: ₹ 1.72 Cr EMI per month ,starting from Nov 22		
(iv) Term loans from banks: Loan 4		
Non-current borrowings	-	-
Current maturities of non-current borrowings	-	12.50
Security: First paripassu charge on all moveable & immoveable fixed assets (except lease hold land at Cuddalore, Vizag & Ambernath) and second paripassu charge on all current assets of the Company. Rate of interest: - 9.70% p.a Repayment terms: ₹ 3.13 Cr per month		
(v) Term loans from banks: Loan 5		
Non-current borrowings	11.62	31.55
Current maturities of non-current borrowings	20.00	20.00
Security: First paripassu charge on all moveable & immoveable fixed assets (except lease hold land at Cuddalore, Vizag & Ambernath) and second paripassu charge on all current assets of the Company. Rate of interest: - 10.5% p.a Repayment terms: ₹ 1.67 Cr per month		
(vi) Term loans from banks: Loan 6		
Non-current borrowings	-	3.11
Current maturities of non-current borrowings	3.19	28.33
Security: First paripassu charge by way of mortgage on immoveable fixed Assets (except lease hold land at Cuddalore , Vizag & Ambernath) of the Company both present & future. First paripassu charge by way of hypothecation over moveable fixed assets of the Company both present & future. Second paripassu charge by way of hypothecation over entire current assets of the Company both present & future. Rate of interest: 9.55% Repayment terms: ₹ 2.36 Cr per month		

Notes

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₹ in Crores

Terms of repayment and security	As at March 31, 2023	As at March 31, 2022
(vii) Term loans from others: Loan 7		
Non-current borrowings	53.49	-
Current maturities of non-current borrowings	14.02	-
Security: First paripassu charge on all fixed assets (except lease hold land at Cuddalore, Vizag & Ambernath) of the Company present & future including intangible Assets, second paripassu on all current assets of the Company both present & future. Rate of interest: - 6 Months MCLR plus 1.20% p.a, (MCLR - 9.50%) Repayment terms: ₹ 1.17 Cr per month starting from Feb 23		
(viii) Term loans from others: Loan 8		
Non-current borrowings	29.61	37.13
Current maturities of non-current borrowings	8.06	8.20
Security: First paripassu charge on all fixed assets (except lease hold land at Cuddalore, Vizag & Ambernath) of the Company present & future including intangible Assets, second paripassu on all current assets of the Company both present & future. Rate of interest: 11.40% p.a Repayment terms: ₹ 0.99 Cr EMI per month		

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Disclosed under non-current borrowings	235.10	283.04
Disclosed under current borrowings		
- Current maturities of non-current borrowings	117.25	131.63

During the financial year ended March 31, 2023, for non-current borrowings aggregating to ₹ 352.35 Crores (including current maturities of non-current borrowings), some of the financial covenants have been breached mainly due to temporary softness in demand for some of the key products. The Group has made representation to the lenders to waive from the testing of financial covenants for the year ended March 31, 2023.

(ii) Current borrowings

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Secured loans repayable on demand from banks:		
Working capital loans	648.80	609.90
Current maturities of non-current borrowings (Refer note 22(i))	117.25	131.63
Total	**766.05**	**741.53**

Details of security for the current borrowings repayable on demand:

a) Working capital loans from banks are secured by first pari passu charge over current assets of the Company and second pari passu charge on movable and immovable fixed assets of the Company.

b) Rate of interest for ₹ borrowings ranges from 9.15% to 12.00%

c) Rate of interest for US$ borrowings ranges from 4.19% to 8.46%

NOTE NO. 23 OTHER FINANCIAL LIABILITIES

(i) Other non-current financial liabilities

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits	0.42	0.42
Total	**0.42**	**0.42**

(ii) Other current financial liabilities

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due on borrowings	2.20	0.92
Unclaimed dividends*	0.16	0.17
Other payables:		
Payables on purchase of property, plant and equipment	11.79	16.73
Total	**14.15**	**17.82**

*Investor Education and Protection Fund shall be credited when due.

NOTE NO. 24 PROVISIONS

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits:		
Compensated absences	12.75	12.93
Total	**12.75**	**12.93**
Non-current	10.67	9.49
Current	2.08	3.44

NOTE NO. 25 OTHER LIABILITIES

(i) Other non-current liabilities

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Contract liability:		
Advance from customers	-	22.94
Income received in advance (unearned revenue)	-	0.19
Provision for employee benefits:		
Gratuity (Refer note 41)	38.36	27.58
Total	**38.36**	**50.71**

(ii) Other current liabilities

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Contract liability:		
Advance from customers	7.20	15.75
Income received in advance (unearned revenue)	0.23	1.06
Other payables:		
- Advance rentals	-	1.17
- Statutory liabilities	5.00	4.23
Total	**12.43**	**22.21**

Note:

(i) During the year ended March 31, 2023, the Group recognized revenue of ₹ 26.50 Crores (As at March 31, 2022: ₹ 8.43 Crores) arising from opening contract liability as of April 1, 2022.

NOTE NO. 26 TRADE PAYABLES

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables:		
Dues of micro and small enterprises (Refer note (iii) below)	11.96	8.07
Dues of other than micro and small enterprises	293.90	267.92
Total	**305.86**	**275.99**

Note:

(i) Outstanding for the following period from due date of payments

₹ in Crores

Particulars	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2023
(i) MSME	-	11.96	-	-	-	11.96
(ii) Others	33.72	255.91	2.72	1.46	0.09	293.90
Total	**33.72**	**267.87**	**2.72**	**1.46**	**0.09**	**305.86**

(ii) Outstanding for the following period from due date of payments

₹ in Crores

Particulars	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2022
(i) MSME	-	8.07	-	-	-	8.07
(ii) Others	53.90	206.66	6.13	0.23	1.00	267.92
Total	**53.90**	**214.73**	**6.13**	**0.23**	**1.00**	**275.99**

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

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
(i) The principal amount due to micro and small enterprises remaining unpaid to any supplier as at the end of each year	11.96	8.07
(ii) The interest due to micro and small enterprises remaining unpaid to any supplier as at the end of each year	-	-
(iii) 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.	-	-
(iv) 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	-	-
(v) The amount of interest accrued and remaining un-paid at the end of each accounting year	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductable expenditure under the MSMED Act, 2006	-	-

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

NOTE NO. 27 CURRENT INCOME TAX LIABILITIES (NET)

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for tax (net of advance tax)	0.01	0.33
Total	**0.01**	**0.33**

NOTE NO. 28 REVENUE FROM OPERATIONS

₹ in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of products	1,374.01	1,207.44
Sale of services	5.18	23.11
Other operating revenues (Refer note (i) below)	64.62	37.79
Total	**1,443.81**	**1,268.34**

Disaggregated revenue information

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

₹ in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from contracts with customers		
Asia Pacific	846.04	841.28
Europe	329.95	219.14
North America	72.05	33.89
South America	37.18	44.42
Rest of the World	93.97	91.82
Subtotal	**1,379.19**	**1,230.55**
Revenue from other sources		
Other operating revenues	64.62	37.79
Subtotal	**64.62**	**37.79**
Total	**1,443.81**	**1,268.34**

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

(b) Revenue from major customers

Revenue from one customer of the Group during the year ended March 31, 2023 was 189.70 Cr which is individually more than 10% of the Group's total revenue for the year. Revenue from such customer during previous year was ₹ 119.22 Crores.

No customer individually contributed for more than 10% of the Group's total revenue during the year ended March 31, 2022.

(i) Other operating revenue comprises:

₹ in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Export incentives	17.20	5.06
Share of profit	1.01	1.60
Sale of by-products and scrap	45.38	29.32
Support service income	1.03	1.82
Total	**64.62**	**37.80**

Performance obligations and remaining performance obligations:

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Group expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts that have original expected duration of one year or less.

Notes
to the consolidated financial statements for the year ended March 31, 2023

NOTE NO. 29 OTHER INCOME

₹ in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income (Refer note (i) below)	5.78	7.76
Rental income from investment properties	4.45	5.59
Other non-operating income		
- Liabilities / provisions no longer required written back	10.02	1.75
- Exchange gain (net)	0.27	2.42
- Insurance claims	0.84	0.46
- Others	1.19	2.04
Total	**22.55**	**20.02**

Note:

(i) Interest income comprises:

₹ in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest from banks on deposits	0.09	3.42
Interest on loans and advances	4.69	3.95
Interest from others	1.00	0.39
Total	**5.78**	**7.76**

NOTE NO. 30 COST OF MATERIALS CONSUMED

₹ in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening stock	131.10	109.50
Add: Purchases	762.00	880.46
Less: Closing stock	(119.20)	(131.10)
Cost of materials consumed	**773.90**	**858.86**

NOTE NO. 31 PURCHASES OF STOCK-IN-TRADE

₹ in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Traded goods	7.88	53.78
Total	**7.88**	**53.78**

NOTE NO. 32 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹ in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the end of the year:		
- Finished goods	155.78	188.17
- Work-in-progress	274.99	249.65
	430.77	**437.82**
Inventories at the beginning of the year:		
- Finished goods	188.17	30.98
- Work-in-progress	249.65	148.09
	437.82	**179.07**
Net (increase) / decrease	**7.05**	**(258.75)**

NOTE NO. 33 EMPLOYEE BENEFITS EXPENSE

₹ in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages	188.51	196.79
Contribution to provident and other funds (Refer note 41)	19.36	18.92
Share based payments (Refer note 45)	0.05	(1.31)
Other employee benefits	20.71	21.94
Total	**228.63**	**236.34**

Note: Employee stock compensation expenses for the year ended March 31, 2022 is negative as it is net-off of stock options lapsed during the year.

NOTE NO. 34 FINANCE COSTS

₹ in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest costs:		
- Interest on bank overdrafts and loans	92.45	72.01
- Delayed payment of income tax	-	0.34
- Other interest expense	2.50	3.24
- Less: Amounts included in the cost of qualifying assets	(11.57)	(8.31)
Exchange difference regarded as an adjustment to borrowing costs	3.42	5.14
Other finance costs	3.26	2.86
Total	**90.06**	**75.28**

NOTE NO. 35 DEPRECIATION AND AMORTISATION EXPENSES

₹ in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment (Refer note 3)	92.14	93.56
Depreciation of investment properties (Refer note 6)	0.65	0.68
Depreciation of right-of-use assets (Refer note 4(i))	2.71	2.81
Amortisation of intangible assets (Refer note 8)	15.69	15.27
Total	**111.19**	**112.32**

NOTE NO. 36 OTHER EXPENSES

₹ in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Subcontracting	16.29	16.47
Power and fuel	106.03	92.12
Water	2.07	1.58
Rent including lease rentals	1.29	2.49
Repairs and maintenance:		
- Buildings	3.08	2.60
- Machinery	21.09	18.07
- Others	25.91	33.33
Insurance	8.45	13.33
Rates and taxes	2.31	1.93
Communication	1.64	1.87
Travelling and conveyance	5.74	2.91
Printing and stationery	2.26	2.22

Notes

to the consolidated financial statements for the year ended March 31, 2023

₹ in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Freight and forwarding	25.70	24.89
Sales commission	5.12	5.01
Business promotion	0.86	0.38
Donations and contributions	0.29	0.10
Expenditure on Corporate Social Responsibility	1.68	2.58
Analytical charges	0.88	2.70
Regulatory expenses	4.18	4.99
Legal and professional fees	12.76	18.69
Payments to Statutory auditors (Refer note (i) below)	0.80	0.88
Bad debts written off / Allowance for doubtful trade and other receivables	5.66	8.82
Loss on sale of property, plant and equipment (net)	0.45	0.77
Consumption of stores and spares	24.39	27.43
Miscellaneous expenses	13.54	11.98
Total	**292.47**	**298.14**

Notes:

(i) Payments to the Statutory Auditors comprises (net of taxes) for:

₹ in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
- Audit of standalone and consolidated financial statements including limited review	0.66	0.66
- Other services	0.03	0.14
- For audit of financial statements of the subsidiaries of the Group paid to other auditors	0.07	0.06
- Reimbursement of expenses	0.04	0.02
Total	**0.80**	**0.88**

NOTE NO. 37 EXCEPTIONAL ITEMS

₹ in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Merger/acquisition and restructing costs	-	3.49
Total	**-**	**3.49**

NOTE NO. 38 TAX EXPENSES

₹ in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax		
Current tax expense	(0.09)	0.17
Deferred tax benefit		
Deferred tax (credit) / expenses	(22.46)	(33.04)
MAT credit availed	(0.02)	0.06
Net tax expense	**(22.57)**	**(32.81)**

The reconciliation of estimated income tax expenses at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

₹ in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before income taxes:	(44.82)	(91.10)
Indian statutory income tax rate	34.94%	34.94%
Expected income tax expense	**(15.66)**	**(31.83)**
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expenses:		
Effect of expenses that are not deductible in determining taxable profit	0.69	0.81
Effect on additional tax allowance	(1.83)	(0.59)
Effect of unrecognised tax credits and deductible temporary differences now recognised as deferred tax assets	(6.35)	-
Others (net)	0.58	(1.20)
Total income tax expense	**(22.57)**	**(32.81)**

Refer Note 12 for significant components of deferred tax assets and liabilities.

NOTE NO. 39 DETAILS OF RESEARCH AND DEVELOPMENT EXPENDITURE INCURRED (CHARGED TO STATEMENT OF PROFIT AND LOSS)

₹ in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inhouse:		
Salaries and wages	18.70	28.42
Depreciation and amortisation expense	10.57	11.53
Materials	2.58	0.48
Others	14.31	25.19
Total	**46.16**	**65.62**

In addition, the Group has also incurred capital expenditure in such facilities of ₹ 3.89 Crores (March 31, 2022: ₹ 2.65 Crores) which has been capitalised under respective heads in the financial statements.

NOTE NO. 40 COMMITMENTS AND CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
a) Contingent liabilities - Pending Litigations		
(i) Indirect taxes	3.61	3.22
(ii) The Parent has received assessment orders from the assessing officer. For the assessment year 2018-19, the officer disallowed the Parent's claim for depreciation on goodwill and product portfolio amounting to ₹ 115.97 Crores. For the assessment year 2020-21, the officer disallowed the Parents's claim for weighted deduction under Section 35(2AB) amounting to ₹ 20.60 Crores, depreciation on goodwill and product portfolio amounting to ₹ 164.04 Crores, and deemed income under Section 41 amounting to ₹ 0.13 Crores. The Parent has preferred appeal to the above two assessment orders defending their claims and the matter is pending with Commisisoner of income tax (appeals). The tax impact of above disallowance is ₹ 40.52 Crores for assessment year 2018-19 and ₹ 64.56 Crores for assessment year 2020-21. The Parent has in its return of income for subsequent years also has claimed the aforesaid allowances. Refer note 12 (iv) for details.	-	-
(iii) Other claims against the Group not acknowledged as debts	-	-
b) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
- Property, plant and equipment	34.20	63.10
- Intangible assets	0.19	0.29

NOTE NO. 41 EMPLOYEE BENEFITS PLANS

Defined contribution plan

The Group makes contributions to provident fund and employee state insurance schemes which are defined contribution plans, for qualifying employees. Under the schemes, the Group is required to contribute a specified percentage of the payroll cost to fund the benefits. The Group recognised ₹ 12.69 Crores (March 31, 2022: ₹ 13.19 Crores) for provident fund contributions, ₹ 0.17 Crores (March 31, 2022: ₹ 0.23 Crores) for employee state insurance scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

Defined benefit plan

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

Composition of the plan assets

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

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

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

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

Particulars	Valuation as at March 31, 2023	Valuation as at March 31, 2022
Discount rate	7.39%	6.88%
Expected rate of salary increase	Year 1- 7.50% thereafter- 6.50%	Year 1- 7.50% thereafter- 6.50%
Attrition rate	11.00%	11.00%
Mortality Rate	As per IALM (2012-14) ultimate	As per IALM (2012-14) ultimate
Retirement age (years)	Karnataka - 60 years, Other - 58 years	58 years

Amounts recognised in statement of profit and loss and in other comprehensive income in respect of these defined benefit plan are as follows:

₹ in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Service cost:		
Current service cost	4.87	4.30
Past service cost and (gain)/loss from settlements	(0.05)	-
Net interest expense	1.64	1.43
Components of defined benefit costs recognised in statement of profit and loss	**6.46**	**5.73**
Remeasurement on the net defined benefit liability:		
Return on plan assets [excluding amounts included in net interest expense] (excess) / short return	0.49	0.20
Actuarial (gains) / losses arising from changes in financial assumptions	(1.39)	(0.77)
Actuarial (gains) / losses arising from experience adjustments	3.60	(2.52)
Components of defined benefit costs recognised in other comprehensive income	**2.70**	**(3.09)**
Total	**9.16**	**2.64**

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

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

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of funded defined benefit obligation	58.01	49.94
Fair value of plan assets	(19.65)	(22.36)
Funded status	38.36	27.58
Net liability arising from defined benefit obligation	**38.36**	**27.58**

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

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Opening defined benefit obligation	49.94	49.27
Expenses recognised in statement of profit and loss		
Current service cost	4.87	4.30
Past service cost and (gain)/loss from settlements	(0.05)	-
Interest cost	3.18	3.01
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	(1.39)	(0.77)
Actuarial gains and losses arising from experience adjustments	3.60	(2.52)
Liabilities assumed on employees transferred from group companies	1.88	-
Benefits paid	(4.02)	(3.35)
Closing defined benefit obligation	**58.01**	**49.94**

Movements in the fair value of the plan assets are as follows:

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Opening fair value of plan assets	22.36	24.07
Expected return on plan assets	1.54	1.58
Remeasurement gain (loss):		
Contributions from the employer	0.26	0.26
Actuarial (gains) / loss on plan assets	(0.49)	(0.20)
Benefits paid	(4.02)	(3.35)
Closing fair value of plan assets	**19.65**	**22.36**

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

If the discount rate increases (decrease) by 1%, the defined benefit obligation would be ₹ 55.36 Crores (₹ 60.83 Crores) as at March 31, 2023

If the expected salary growth increases (decrease) by 1%, the defined benefit obligation would be ₹ 60.80 Crores (₹ 55.46 Crores) as at March 31, 2023

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

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

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

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

Expected future outflows towards the plan are as follows:

₹ in Crores

Financial Year	Amount
2023-24	9.32
2024-25	9.31
2025-26	8.38
2026-27	7.67
2027-28	7.57
2028-29 to 2032- 33	25.39

NOTE NO. 42 RELATED PARTY INFORMATION:

42A List of related parties:

Director and Key Management Personnel:

Jitesh Devendra	Managing Director (Appointed wef April 29, 2022)
Rajendra Juvvadi Rao	Managing Director and Chief Executive Officer (Appointed as Executive Director wef August 04, 2021 and as MD & CEO wef. March 01, 2022) (Resigned as MD & CEO wef. April 28, 2022)
Bharath R. Sesha	Managing Director and Chief Executive Officer(Resigned as MD & CEO wef. February 28, 2022)
S Hariharan	Executive Director and Chief Finance Officer (Appointed as Executive Director & CFO wef March 09, 2022)
Subhash Anand	Executive Director and Chief Finance Officer (Appointed as CFO wef. Oct 30, 2020 and Executive Director wef. Apr 01, 2021) (Resigned wef. March 09, 2022)
Poorvank Purohit	Chief Executive Officer (Appointed wef. February 03, 2023)
Aditya Puri	Non-Executive Director (Appointed wef. August 04, 2021)
Arun Kumar Pillai	Non-Executive Director (Appointed wef. August 04, 2021)
Kartheek Chintalapati Raju	Non-Executive Director (Appointed wef. August 04, 2021) (Resigned wef. August 03, 2022)
Vineeta Rai	Independent Director (Appointed wef. October 17, 2021)
R. Ramakrishnan	Independent Director
Nirmal P Bhogilal	Independent Director
Kausalya Santhanam	Independent Director
Deepak C Vaidya	Non-Executive Director (Resigned wef. August 04, 2021)
Ronald Tjeerd De Vries	Independent Director (Resigned wef. August 04, 2021)
Ankur Nand Thadani	Non-Executive Director
Arun Kumar Pillai	Person holding significant interest in the company
Rajesh Salwan	Chief Operating Officer (Resigned wef. February 03, 2022)
S Murali Krishna	Company Secretary

Enterprises controlled, owned or significantly influenced by directors, key management personnel, promoter or person holding significant interest in the company:

Strides Pharma Science Limited, India

Shasun Enterprises LLP, India (formerly known as Devendra Estates LLP, India)

Sequent Scientific Limited (upto April 08, 2021)*

Sequent Research Limited, India (upto April 08, 2021)*

Sterling Pharma Solutions Limited, UK (up to February 27, 2019)

Tenshi Life Sciences Private Limited, India (merged with Tenshi Pharmaceuticals Limited wef November 29, 2022)

Aurore Life Sciences Private Limited, India (upto August 3, 2022)**

Tenshi Kaizen Private Limited, India

Olene Life Sciences Private Limited, India

GMS Tenshi Holdings Pte Limited, Singapore

Stelis Biopharma Private Limited, India

Tenshi Pharmaceuticals Private Limited, India (formerly known as Steriscience Private Limited and Sovizen Life Sciences Private Limited)

Hydra Active Pharma Sciences Private Limited, India (formerly known as Tenshi Active Pharma Sciences Private Limited)

Velbiom Probiotics Private Limited, India (formerly known as Tenshi Life Care Private Limited)

Triphase Pharmaceuticals Private Limited, India

Outlook Therapeutics Inc, USA

Naari Pharma Private Limited, India

Tenshi Kaizen Inc., USA

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Tenshi Kaizen USA Inc., USA
Batliboi Impex Limited, India
Tenshi Life Sciences Pte Ltd., Singapore

Enterprises controlled, owned or significantly influenced by directors, key management personnel, promoter or person holding significant interest in the company:

Biolexis Pte Ltd., Singapore
Navad Life Sciences Pte Ltd., Singapore
Aurore Pharmaceuticals Private Limited, India (upto August 3, 2022)**
Tenshi Kaizen Pharma Pte Ltd., Singapore
Tenshi Kaizen Private Limited, UK
Tenshi KSM Private Limited, India
Steriscience Specialties Pvt. Ltd., India (formerly known as Steriscience Pharma Pvt. Ltd.)
Empyrean Life Sciences Pvt. Ltd., India
Steriscience Pte Limited, Singapore
Steriscience BV, Netherlands
Tenshi Kaizen B V, Netherlands
Steriscience Specialties Sp. z.o.o, Poland
Stelis Pte Ltd., Singapore
Stelis Biopharma LLC, USA
Chayadeep Properties Private Limited, India
Karuna Ventures Private Limited, India
Agnus Holdings Pvt. Ltd., India
Pronomz Ventures LLP, India
SRJR Enterprise LLP, India
Karuna Business Solutions LLP, India
Chayadeep Ventures LLP, India
Agnus Capital LLP, India
Devicam Capital LLP, India
Agraganya Private Trust, India
Triumph Venture Holdings LLP, India
Axxelent Pharma Sciences Private Limited, India
Amicus Formulations India Private Limited, India (upto April 28, 2022)
Genesys Biologics Private Limited, India (upto April 28, 2022)
RA Labels and Stickers Private Limited, India (upto April 28, 2022)
Ilabs Capital LLP, India (upto April 28, 2022)

* The Company has filed an application with stock exchange for Reclassification of "Outgoing Promoters" from Promoter group to Public category on April 08, 2021. BSE and NSE has approved for reclassification on October 7, 2021.

42B Transactions during the year

₹ in Crores

Description	Related party	March 31, 2023	March 31, 2022
Sale of goods/(sales return)	Strides Pharma Science Limited	188.69	117.61
	Aurore Life Sciences Private Limited	14.16	33.96
	Aurore Pharmaceuticals Private Limited	(2.68)	89.71
	Axxelent Pharma Sciences Private Limited	-	0.01
	Steriscience Specialties Pvt. Ltd.	0.01	4.92
	Stelis Biopharma Private Limited	0.03	0.19
	Tenshi Kaizen Private Limited	0.01	-
Sale of services	Strides Pharma Science Limited	0.01	0.01
	Tenshi Kaizen Private Limited	0.02	-
	Stelis Biopharma Private Limited	0.01	-
Interest Income	Aurore Life Sciences Private Limited	1.69	3.96
Other operating revenue	Strides Pharma Science Limited	1.01	1.60
Sale of property, plant and equipment	Strides Pharma Science Limited	-	0.01
Purchase of goods	Strides Pharma Science Limited	0.00	-
	Aurore Life Sciences Private Limited	0.61	36.97
Purchase of services	Axxelent Pharma Sciences Private Limited	0.19	-
	Batliboi Impex Limited	0.78	1.20
	Aurore Life Sciences Private Limited	1.67	-
	Karuna Business Solutions LLP	-	0.86
	Strides Pharma Science Limited	13.51	9.81
Reimbursement of expenses to Rental Income	Strides Pharma Science Limited	1.08	-
	Tenshi Life Sciences Private Limited	1.14	2.09
	Tenshi Pharmaceuticals Private Limited	0.33	-
	Aurore Life Sciences Private Limited	0.02	0.03
Rent & Maintenance for leased property	Strides Pharma Science Limited	1.60	1.52
Loan given	Aurore Life Sciences Private Limited	-	50.00
Loan / Advances refund received	Aurore Life Sciences Private Limited	7.65	-
Dividend paid	Arun Kumar Pillai	-	0.95
	K R Ravishankar	-	0.40
	Deepa Arun Kumar	-	0.02
	Aditya Arun Kumar	-	0.02
	Tarini Arun Kumar	-	0.02
	Padmakumar Karunakaran Pillai	-	0.01
	Vineetha Mohanakumar Pillai	-	0.01
	Hemalatha Pillai	-	0.01
	Sajitha Pillai	-	0.01
	Rajitha Gopalakrishnan	-	0.01
	K R Lakshmi	-	0.01
	Chayadeep Properties Private Limited	-	0.16
	Karuna Ventures Private Limited	-	0.03
	Agnus Holdings Pvt. Ltd.	-	0.02
	Pronomz Ventures LLP	-	0.64
	SRJR Enterprise LLP	-	0.51
	Karuna Business Solutions LLP	-	0.84
	Chayadeep Ventures LLP	-	0.30
	Agnus Capital LLP	-	0.25
	Devicam Capital LLP	-	0.05

₹ in Crores

Description	Related party	March 31, 2023	March 31, 2022
Sitting fees paid to directors	Aditya Puri	0.04	0.06
	Deepak C Vaidya	-	0.07
	Kausalya Santhanam	0.08	0.16
	Nirmal P Bhogilal	0.06	0.16
	Ronald Tjeerd De Vries	-	0.07
	R. Ramakrishnan	0.08	0.16
	Vineeta Rai	0.08	0.07
Short term employee benefits paid to (refer note (i) below)	Jitesh Devendra	2.17	-
	S Hariharan	1.98	0.14
	Poorvank Purohit	0.50	
	Bharat R Sesha	-	0.20
	Subhash Anand	-	2.36
	Rajesh Salwan	-	1.63
	S Murali Krishna	0.42	0.44

note (i): The compensation excludes gratuity & compensated absences which cannot be separately identified from the composite amount advised by the actuary.

42C Balances as at March 31, 2023

₹ in Crores

Description	Related party	As at March 31, 2023	As at March 31, 2022
Trade payables	Tenshi Life Sciences Private Limited	0.87	4.42
	Tenshi Pharmaceuticals Private Limited	0.36	-
	Tenshi Life Sciences Private Limited	0.87	4.42
	Aurore Life Sciences Private Limited	-	13.80
	Strides Pharma Science Limited	0.42	-
Trade receivables	Aurore Life Sciences Private Limited	-	7.70
	Aurore Pharmaceuticals Private Limited	-	58.33
	Strides Pharma Science Limited	119.38	78.23
	Stelis Biopharma Private Limited	0.06	0.03
	Tenshi Kaizen Private Limited	0.03	-
	Steriscience Specialties Pvt. Ltd.	-	4.54
	Karuna Business Solutions LLP	-	0.81
Other receivables	Aurore Life Sciences Private Limited	-	1.17
Loan / Advances receivable/ (payable)	Aurore Life Sciences Private Limited	-	50.00
Security deposit given	Strides Pharma Science Limited	0.72	0.72

** The transaction with Aurore has been disclosed upto aforementioned date and the balance sheet balance has not been disclosed

NOTE NO. 43 EARNINGS PER SHARE

₹ in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Basic earnings per share:	(6.16)	(16.18)
Diluted earnings per share:	(6.16)	(16.18)

Earnings used in computing basic and diluted earnings per share

₹ in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit attributable to the equity holders of the Company	(22.17)	(58.15)

Weighted average number of shares used as the denominator

₹ in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Weighted average number of equity shares used as denominator in calculating basic earnings per share	**35,996,267**	**35,940,826**
Adjustments for calculation of diluted earnings per share:		
- share warrants	-	-
- employee stock options	189	1,348
Weighted average number of equity shares used as denominator in calculating diluted earnings per share *	**35,996,456**	**35,942,174**

* Diluted earnings per share for the year ended March 31, 2023 is antidilution since there is loss attributable to the equity holders of the company. Therefore, Diluted earnings per share is the same as Basic earnings per share for the year ended March 31, 2023.

NOTE NO. 44 SEGMENT REPORTING

The Group is engaged in the manufacture and sale of Active Pharma Ingredients. The operating segment of the Group in identified to be "Manufacture and sale of Active Pharma Ingredients" as the chief operating decision maker (CODM) reviews business performance at an overall Group level as one segment.

As the Group operates in single operating segment i.e., "Manufacture and sale of Active Pharma Ingredients", the reporting disclosures envisaged in Ind AS 108 on operating segments, are not applicable to the Group. However, the geographical information are disclosed below:

Information regarding geographical non-current assets is as follows*:

₹ in Crores

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
India	1,617.02	1,637.33
Total	**1,617.02**	**1,637.33**

*Non current assets are excluding financial instruments and deferred tax assets

NOTE NO. 45 SHARE-BASED PAYMENTS

Details of the employee share option plan of the Company:

The ESOP titled "Solara Employee Stock Option Plan 2018" (ESOP 2018) was approved by the shareholders and stock exchanges. 1,228,778 options are covered under the plan which are convertible into equal number of equity shares of the Company. The vesting period of these options range over a period of three years. The options must be exercised within a period of 120 days from the date of vesting. Company has granted 324,600 options (March 31, 2022: 85,000 options) under this plan during the current year.

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During the current year, employee compensation costs of ₹ 0.05 Crores (Previous year: ₹ (1.31) Crores) relating to the above referred Employee Stock Option Plan have been charged to the Statement of Profit and Loss. Employee stock compensation expenses for the year ended March 31, 2022 is negative as it is net-off of stock options lapsed during the previous year.

Fair value of share options granted during the year

The fair value of the share options were priced using a Black-Scholes model of valuation at grant date. The assumptions used in this model for calculating fair value of the ESOP granted during the year are as below:

Assumptions	Grant Date: Apr 29, 2022 (ESOP 2018)		
	Vest 1 Apr 29, 2023	Vest 2 Apr 29, 2024	Vest 3 Apr 29, 2025
	20%	30%	50%
No. of options	40,000	60,000	1,00,000
Fair market value of option at grant date (₹)	266.50	332.56	365.42
Fair market value of share at grant date (₹)	688.95	688.95	688.95
Exercise price (₹)	516.00	516.00	516.00
Expected volatility	52.25%	59.11%	55.28%
Option life (Years)	1	2	3
Expected Dividend Yield	0.51%	0.51%	0.51%
Risk-free interest rate	6.95%	6.40%	6.90%

Assumptions	Grant Date: Aug 4, 2022 (ESOP 2018)		
	Vest 1 Aug 4, 2023	Vest 2 Aug 4, 2024	Vest 3 Aug 4, 2025
	20%	30%	50%
No. of options	6,000	9,000	15,000
Fair market value of option at grant date (₹)	157.27	165.96	226.68
Fair market value of share at grant date (₹)	389.26	389.26	389.26
Exercise price (₹)	292.00	292.00	292.00
Expected volatility	60.74%	46.35%	70.10%
Option life (Years)	1	2	3
Expected Dividend Yield	0.90%	0.90%	0.90%
Risk-free interest rate	6.23%	6.52%	6.85%

Assumptions	Grant Date: Jan 24, 2023 (ESOP 2018)		
	Vest 1 Jan 24, 2024	Vest 2 Jan 24, 2025	Vest 3 Jan 24, 2026
	20%	30%	50%
No. of options	9,920	14,880	24,800
Fair market value of option at grant date (₹)	166.10	174.05	231.98
Fair market value of share at grant date (₹)	411.25	411.25	411.25
Exercise price (₹)	309.00	309.00	309.00
Expected volatility	59.64%	43.89%	64.91%
Option life (Years)	1	2	3
Expected Dividend Yield	0.85%	0.85%	0.85%
Risk-free interest rate	6.90%	7.16%	7.19%

Assumptions	Grant Date: Feb 3, 2023 (ESOP 2018)		
	Vest 1 Feb 3, 2024	Vest 2 Feb 3, 2025	Vest 3 Feb 3, 2026
	20%	30%	50%
No. of options	9,000	13,500	22,500
Fair market value of option at grant date (₹)	160.46	168.21	226.09
Fair market value of share at grant date (₹)	404.25	404.25	404.25
Exercise price (₹)	309.00	309.00	309.00
Expected volatility	59.64%	43.89%	64.91%
Option life (Years)	1	2	3
Expected Dividend Yield	0.87%	0.87%	0.87%
Risk-free interest rate	6.90%	7.16%	7.19%

Fair value of share options granted during the previous year

The fair value of the share options were priced using a Black-Scholes model of valuation at grant date. The assumptions used in this model for calculating fair value of the ESOP granted during the previous year are as below:

Assumptions	Grant Date: Nov 11, 2021 (ESOP 2018)		
	Vest 1 Nov 11, 2021	Vest 2 Nov 11, 2022	Vest 3 Nov 11, 2023
	23%	30%	47%
No. of options	8,000	10,500	16,500
Fair market value of option at grant date (₹)	473.44	624.02	692.07
Fair market value of share at grant date (₹)	1,317.00	1,317.00	1,317.00
Exercise price (₹)	1,030.00	1,030.00	1,030.00
Expected volatility	42.74%	54.76%	52.10%
Option life (Years)	1	2	3
Expected Dividend Yield	22.00%	22.00%	22.00%
Risk-free interest rate	4.33%	4.55%	5.09%

Assumptions	Grant Date: Mar 15, 2022 (ESOP 2018)		
	Vest 1 Apr 29, 2023	Vest 2 Apr 29, 2024	Vest 3 Apr 29, 2025
	20%	30%	50%
No. of options	10,000	15,000	25,000
Fair market value of option at grant date (₹)	266.50	332.56	365.42
Fair market value of share at grant date (₹)	688.95	688.95	688.95
Exercise price (₹)	516.00	516.00	516.00
Expected volatility	52.25%	59.11%	55.28%
Option life (Years)	1	2	3
Expected Dividend Yield	0.51%	0.51%	0.51%
Risk-free interest rate	6.95%	6.40%	6.90%

Employee stock options details as on the balance sheet date are as follows:

Particulars	During the year 2022-23		During the year 2021-22	
	Options (No's)	Weighted average exercise price per option (₹)	Options (No's)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year	1,05,000	782.40	3,90,000	659.39
Granted during the year	3,24,600	434.97	85,000	727.65
Exercised during the year	-	-	66,500	438.05
Lapsed/ cancelled during the year	2,86,000	580.17	3,03,500	684.45
Options outstanding at the end of the year	1,43,600	399.81	1,05,000	782.40
Options available for grant	2,63,178	-	3,01,778	-

NOTE NO. 46 FINANCIAL INSTRUMENTS

46.1 Categories of financial instruments

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Financial assets:		
Measured at amortised cost		
(a) Cash and bank balances	8.89	47.25
(b) Investments	1.70	0.42
(c) Trade receivables	536.99	489.67
(d) Loans receivable	32.62	51.85
(e) Other financial assets at amortised cost	27.69	22.05
Financial liabilities:		
Measured at amortised cost		
(a) Borrowings including current maturities of non current borrowings	1,001.15	1,024.57
(b) Lease liabilities	11.70	12.80
(c) Trade payables	305.86	275.99
(d) Other financial liabilities	14.57	18.24

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

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

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities:				
Borrowings	1,001.15	1,004.66	1,024.57	1,028.11

Financial risk management objectives

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

46.3 Foreign currency risk management

The Group is exposed to foreign exchange risk due to:

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

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

Amount receivable/(payable)	As at March 31, 2023		As at March 31, 2022	
Financial liabilities:	In foreign currency (Crores)	in ₹ Crores	In foreign currency (Crores)	in ₹ Crores
US$	0.52	41.63	0.53	40.62
EUR	0.01	1.03	0.08	6.97
JPY	3.22	1.99	1.88	1.17

Foreign currency sensitivity analysis

Financial instruments affected by changes in foreign exchange rates include loans in foreign currencies. The Group considers US Dollar and the Euro to be principal currencies which require monitoring and risk mitigation. The impact on account of 5% appreciation / depreciation in the exchange rate of the above foreign currencies against ₹ is given below:

₹ in Crores

Exposure to the Currency	Increase / (Decrease) in Equity / Profit	
	March 31, 2023	March 31, 2022
Appreciation in the US$	2.08	2.03
Depreciation in the US$	(2.08)	(2.03)
Appreciation in the EUR	0.05	0.35
Depreciation in the EUR	(0.05)	(0.35)

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

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

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

46.4 Interest rate risk management

Interest rate risk arises from borrowings. Debt issued at variable rates exposes the Group to cash flow risk. Debt issued at fixed rate exposes the group to fair value risk.

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

₹ in Crores

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed-rate instruments		
Financial assets		
Balance with banks held as margin money	-	0.70
Balance with banks held in deposit account	0.05	42.47
Financial liabilities		
Lease liabilities	11.70	12.80
	11.75	**55.97**
Variable-rate instruments		
Financial liabilities		
Borrowings from bank	1,001.15	1,024.57
	1,001.15	**1,024.57**

Interest rate sensitivity analysis

Financial instruments affected by interest rate changes include secured long term loans from banks and secured short term loans from banks. The impact of a 1% change in interest rates on the profit of an annual period will be ₹ 10.05 Crores (March 31, 2022: ₹ 9.33 Crores) assuming the loans at each year end remain constant during the respective years. This computation does not involve a revaluation of the fair value of loans as a consequence of changes in interest rates. The computation also assumes that an increase in interest rates on floating rate liabilities will not necessarily involve an increase in interest rates on floating rate financial assets.

Note No. 46.5 Credit risk management

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

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

The Group is not significantly exposed to geographical distribution risk as the counterparties operate across various countries across the Globe.

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

46.6 Liquidity risk management

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

46.6.1 Liquidity analysis for Non-Derivative Liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table include repayment of principal amounts. The contractual maturity is based on the earliest date on which the Group may be required to pay.

₹ in Crores

Financial Liabilities	Due within (years)						Total	Carrying Amount
	1	1 to 2	2 to 3	3 to 4	4 to 5	beyond 5		
Bank & other borrowings								
- As on March 31, 2023	768.68	109.16	77.10	38.03	11.68	-	1,004.66	1,001.15
- As on March 31, 2022	744.05	105.20	96.74	62.72	19.39	-	1,028.11	1,024.57
Interest payable on borrowings								
- As on March 31, 2023	2.20	-	-	-	-	-	2.20	2.20
- As on March 31, 2022	0.92	-	-	-	-	-	0.92	0.92
Lease liabilities								
- As on March 31, 2023	0.87	0.92	0.96	1.01	1.06	50.26	55.08	11.70
- As on March 31, 2022	2.43	0.87	0.92	0.96	1.01	51.30	57.49	12.80
Trade and other payable								
- As on March 31, 2023	318.23	-	-	-	-	-	318.23	318.23
- As on March 31, 2022	293.33	-	-	-	-	-	293.31	293.31

NOTE NO. 47 CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of net debt (borrowings as detailed in notes 22 offset by cash and bank balances) and total equity.

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

47.1 Gearing ratio

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

₹ in Crores

Particulars	March 31, 2023	March 31, 2022
Debt (i)	1,012.85	1,037.37
Less:		
Cash and bank balances	8.89	47.25
Net Debt (A)	**1,003.96**	**990.12**
Total Equity (B)	**1,500.21**	**1,524.87**
Net debt to equity ratio (A/B)	**0.67**	**0.65**

(i) Debt is defined as non-current borrowings, current maturities of non-current borrowings and current borrowings and lease liabilities.

NOTE NO. 48 ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013 FOR THE YEAR ENDED MARCH 31, 2023

Name of the entity	Net Assets i.e., total assets minus total liabilities		Share in profit		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ In Crores	As % of consolidated profit	₹ In Crores	As % of consolidated other comprehensive income	₹ In Crores	As % of consolidated total comprehensive income	₹ In Crores
Solara Active Pharma Sciences Limited	99.68%	1,503.13	99.64%	(22.21)	85.44%	(1.76)	98.44%	(23.97)
Indian Subsidiaries:								
Chemsynth Laboratories Private Limited	0.32%	4.84	0.67%	(0.15)	0.00%	-	0.62%	(0.15)
Sequent Penems Private Limited	0.25%	3.79	-0.13%	0.03	0.00%	-	-0.12%	0.03
Foreign Subsidiary:								
Shasun USA Inc	-0.25%	(3.77)	-0.18%	0.04	14.56%	(0.30)	1.07%	(0.26)
Solara Active Pharma Sciences LTDA*	-	-	-	-	-	-	-	-
Total		**1,507.99**		**(22.29)**		**(2.06)**		**(24.35)**
Adjustment arising out of consolidation		(7.84)		-		-		-
Minority interest in subsidiaries:								
Chemsynth Laboratories Private Limited		2.24		(0.04)		-		(0.04)
Total		**1,502.39**		**(22.33)**		**(2.06)**		**(24.39)**

* Note - Subsidiary Company incorporated on March 27, 2023. No Investment has flown from the parent Company.

NOTE NO. 49

The Board of Directors in its meeting held on 29th April 2022 have considered and approved the withdrawal of the Scheme of amalgamation of Empyrean Lifesciences Private Limited, Hydra Active Pharma Sciences Private Limited and demerger of pharma business of Aurore Life Science Private Limited ("Aurore") with the Company as the same is not financially viable. Aurore has not been able to achieve its financial goals set for FY22 due to weak demand for covid products and tactical opportunities. Further, there are uncertainties in the completion of the processes related to the Scheme due to disputes raised by one of the minority shareholder of the subsidiary of Aurore.

NOTE NO. 50

The Code on Social Security, 2020 (the Code) has been enacted, which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules are published.

Notes
to the consolidated financial statements for the year ended March 31, 2023

NOTE NO. 51 OTHER STATUTORY INFORMATION

(a) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property

(b) The Group does not have any transactions with companies struck off.

(c) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(d) The Group has no transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(e) The Group has borrowings from banks on the basis of security of current assets, the quarterly returns or statements of current assets has been filed by the Company with banks are in agreement with the books of accounts.

(f) The Group has not been declared willful defaulter by any bank or financial Institution or other lender.

(g) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

NOTE NO. 52 AMENDMENTS EFFECTIVE FROM APRIL 1, 2023:

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to the Group from April 1, 2023.

i. Ind AS 101 – First time adoption of Ind AS

ii. Ind AS 102 – Share-based payment

iii. Ind AS 103 – Business Combinations

iv. Ind AS 107 – Financial Instruments: Disclosures

v. Ind AS 109 – Financial Instruments

vi. Ind AS 115 – Revenue from Contracts with Customers

vii. Ind AS 1 – Presentation of Financial Statements

viii. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

ix. Ind AS 12 – Income Taxes

x. Ind AS 34 – Interim Financial Reporting

The Group is in the process of evaluating the impact of the above amendments on the Company's financial statements.

NOTE NO. 53

The Previous year's figures have been re-grouped/ reclassified, where necessary to confirm to current year's classification.

For and on behalf of Board of Directors

Jitesh Devendra
Managing Director
DIN: 06469234

Poorvank Purohit
Chief Executive Officer

S. Hariharan
Executive Director and
Chief Financial Officer
DIN: 05297969

S Murali Krishna
Company Secretary
Membership Number: 13372

Place : Bengaluru
Date : May 12, 2023

Deloitte
Haskins & Sells LLP

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

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

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF SOLARA ACTIVE PHARMA SCIENCES LIMITED

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **SOLARA ACTIVE PHARMA SCIENCES LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter and nine months ended December 31, 2023 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

Sl. No.	Name of the entities
1	Solara Active Pharma Sciences Limited, the Parent
2	Sequent Penems Private Limited, wholly-owned subsidiary
3	Shasun USA Inc., wholly-owned subsidiary
4	Chemsynth Laboratories Private Limited, subsidiary

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. The consolidated unaudited financial results includes the interim financial information of 3 subsidiaries which have not been reviewed by their auditors, whose interim financial information reflect total revenue of Rs. Nil and Rs. Nil for the quarter and nine months ended December 31, 2023 respectively, total net loss after tax of Rs. 0.03 crores and Rs. 3.01 crores for the quarter and nine months ended December 31, 2023 respectively and total comprehensive loss of Rs. 0.07 crores and Rs. 3.05 crores for the quarter and nine months ended December 31, 2023 respectively as considered in the Statement.

   According to the information and explanations given to us by the Management, this interim financial information are not material to the Group.

   Our Conclusion on the Statement is not modified in respect of our reliance on the interim financial information certified by the Management.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sathya P Koushik
(Partner)
(Membership No. 206920)
(UDIN: 24206920BKANXJ7636)

Place: Bengaluru
Date: February 14, 2024

SOLARA Active Pharma Sciences

SOLARA ACTIVE PHARMA SCIENCES LIMITED

CIN: L24230MH2017PLC291636

Regd. Office: No. 201 Devavrata, Sector 17, Vashi, Navi Mumbai 400 703.

Address: 2nd Floor, Admin Block 27, Vandaloor kelambakkam Road, Keelakottaiyur Village, Chennai 600 127

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2023

(Rs. in Crores except per share data)

Sl. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for the current period ended	Year to date figures for the previous period ended	Previous Financial Year ended
		31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
I	Revenue from operations	248.73	425.24	394.75	1,026.28	1,063.19	1,443.81
II	Other income	0.45	1.18	7.17	3.67	17.87	22.55
III	**Total income (I + II)**	**249.18**	**426.42**	**401.92**	**1,029.95**	**1,081.06**	**1,466.36**
IV	**Expenses**						
	(a) Cost of materials consumed	157.76	241.83	213.24	602.27	578.80	773.90
	(b) Purchases of stock-in-trade	0.25	3.12	2.40	4.95	5.11	7.88
	(c) Changes in inventories of finished goods, stock-in-trade and work in progress	57.51	(7.42)	(4.25)	37.82	12.48	7.05
	(d) Employee benefits expense	62.64	64.12	58.45	187.91	168.44	228.63
	(e) Finance costs	25.37	24.44	23.64	74.42	68.10	90.06
	(f) Depreciation and amortisation expense	25.96	26.21	27.98	78.08	84.74	111.19
	(g) Other expenses (Refer note 7)	132.26	85.96	79.91	298.27	213.24	292.47
	Total expenses (IV)	**461.75**	**438.26**	**401.37**	**1,283.72**	**1,130.91**	**1,511.18**
V	**Profit/(loss) before exceptional items and tax (III - IV)**	**(212.57)**	**(11.84)**	**0.55**	**(253.77)**	**(49.85)**	**(44.82)**
VI	Exceptional item profit / (loss) (Refer note 6)	(62.77)	(5.22)	-	(67.99)	-	-
VII	**Profit/(loss) before tax (V - VI)**	**(275.34)**	**(17.06)**	**0.55**	**(321.76)**	**(49.85)**	**(44.82)**
VIII	**Tax expense**						
	- Current tax	-	-	(0.10)	-	0.47	(0.09)
	- Deferred tax	-	-	0.22	(10.25)	(24.32)	(22.48)
	Total tax expense (VIII)	**-**	**-**	**0.12**	**(10.25)**	**(23.85)**	**(22.57)**
IX	**Profit/(loss) for the period (VII -VIII)**	**(275.34)**	**(17.06)**	**0.43**	**(311.51)**	**(26.00)**	**(22.25)**
X	**Other comprehensive income**						
A	**Items that will not be reclassified subsequently to profit or loss:**						
	(i) Remeasurement gains/(losses) of defined benefit plans	-	0.24	-	0.24	(1.66)	(2.70)
	(ii) Income tax relating to items that will not be reclassified subsequently to profit or loss	-	-	-	-	0.58	0.94
B	**Items that may be reclassified to subsequently to profit or loss:**					-	
	(i) Exchange differences on translating the financial statements of foreign operations	(0.04)	(0.01)	0.01	(0.05)	(0.24)	(0.30)
	(ii) Income tax relating to items that may be reclassified to statement of profit and loss	-	-	-	-	-	-
	Total other comprehensive income for the period (X)	**(0.04)**	**0.23**	**0.01**	**0.19**	**(1.32)**	**(2.06)**
XI	**Total comprehensive income/(loss) for the period (IX + X)**	**(275.38)**	**(16.83)**	**0.44**	**(311.32)**	**(27.32)**	**(24.31)**
XII	**Profit for the year attributable to:**						
	- Equity shareholders of the Company	(275.34)	(17.16)	0.45	(312.05)	(25.94)	(22.18)
	- Non-controlling interests	-	0.10	(0.02)	0.54	(0.06)	(0.07)
XIII	**Other Comprehensive income attributable to:**						
	- Equity shareholders of the Company	(0.04)	0.23	0.01	0.19	(1.32)	(2.06)
	- Non-controlling interests	-	-	-	-	-	-
XIV	**Total Comprehensive income attributable to:**						
	- Equity shareholders of the Company	(275.38)	(16.93)	0.46	(311.86)	(27.26)	(24.24)
	- Non-controlling interests	-	0.10	(0.02)	0.54	(0.06)	(0.07)
XV	Paid-up equity share capital (face value of Rs. 10/- each)	36.00	36.00	36.00	36.00	36.00	36.00
XVI	Other equity excluding Non-controlling interest						1,464.21
	Earnings per equity share (face value of Rs. 10/- each) (not annualised for quarters)						
	(a) Basic (in Rs.)	(76.49)	(4.77)	0.12	(86.69)	(7.21)	(6.16)
	(b) Diluted (in Rs.)	(76.49)	(4.77)	0.12	(86.69)	(7.21)	(6.16)
	See accompanying notes to the financial results						

SOLARA ACTIVE PHARMA SCIENCES LIMITED

SOLARA ACTIVE PHARMA SCIENCES LIMITED
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Regd. Office: No. 201 Devavrata, Sector 17, Vashi, Navi Mumbai 400 703.
Address: 2nd Floor, Admin Block 27, Vandaloor kelambakkam Road, Keelakottaiyur Village, Chennai 600 127
STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2023

Notes:

1 The above consolidated financial results of Solara Active Pharma Sciences Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") as reviewed by the Audit Committee has been approved by the Board of Directors at its meeting held on February 14, 2024. The results for the quarter and nine months ended December 31, 2023 has been reviewed by Deloitte Haskins & Sells LLP, the statutory auditors of the Company. The statutory auditors of the Parent have issued an unmodified conclusion in respect of the limited review for the quarter and nine months ended December 31, 2023.

2 These consolidated financial results of the Group have been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder ('IND AS') and other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India ("SEBI").

3 The Group's operations relate to only one reportable segment viz Active Pharmaceutical Ingredient (API). Accordingly no separate disclosure of segment information is required.

4 **Information on Standalone Results:** (Rs. In Crores)

Sl. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for the current period ended	Year to date figures for the previous period ended	Previous Financial Year ended
		31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
I	Total Income	249.17	426.47	401.52	1,030.02	1,080.21	1,465.95
II	Profit/(loss) before tax	(275.33)	(15.26)	0.53	(320.72)	(53.09)	(44.78)
III	Profit/(loss) after tax	(275.33)	(15.26)	0.42	(310.47)	(28.67)	(22.21)

5 There was a fire accident at the Company's Puducherry facility on November 04, 2023 whereby 3 blocks out of the total 76 blocks were impacted by the fire. The resultant fire caused injuries to 14 workers and 12 workers were recovered and discharged while 2 have succumbed to injuries despite maximum efforts put to recover them. The fire also caused damages to our existing plant and equipment and inventories. There was disruption in the production at the Puducherry facility for a brief period and we have resumed the production after receiving the statutory approvals post the fire incident. The losses arising on account of the fire incident have been accounted under exceptional item. The Parent has submitted the initial insurance claims and pending submission of the final insurance claims, no income from insurance claims has been accounted for in these financial results.

6 **Exceptional item profit / (loss) :** (Rs. In Crores)

Sl. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for the current period ended	Year to date figures for the previous period ended	Previous Financial Year ended
		31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
I	Impairment on assets classified as held for sale	-	(5.22)	-	(5.22)	-	-
II	Exceptional loss on account of fire at Puducherry facility (Refer note 5)	(62.77)	-	-	(62.77)	-	-
	Total	**(62.77)**	**(5.22)**	**-**	**(67.99)**	**-**	**-**

7 During the quarter ended December 31, 2023, the Group has received claims of Rs. 43.8 crores from two of its customers. Pending finalisation of discussion, the Group has accrued for Rs. 43.8 crores towards such claims which has been included in 'Other expenses'.

For and on behalf of board

Poorvank Purohit

Poorvank Purohit
MD & CEO

SOLARA ACTIVE PHARMA SCIENCES LIMITED

Place : Bengaluru
Date : February 14, 2024

Deloitte Haskins & Sells LLP

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

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

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM STANDALONE FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF SOLARA ACTIVE PHARMA SCIENCES LIMITED

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **SOLARA ACTIVE PHARMA SCIENCES LIMITED** ("the Company"), for the quarter and nine months ended December 31, 2023 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sathya P Koushik
(Partner)
(Membership No. 206920)
(UDIN: 24206920BKANXI1215)

Place: Bengaluru
Date: February 14, 2024

SOLARA ACTIVE PHARMA SCIENCES LIMITED
CIN: L24230MH2017PLC291636
Regd. Office: No. 201 Devavrata, Sector 17, Vashi, Navi Mumbai 400 703.
Address: 2nd Floor, Admin Block 27, Vandaloor kelambakkam Road, Keelakottaiyur Village, Chennai 600 127

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2023

(Rs. in Crores except per share data)

Sl. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for the current period ended	Year to date figures for the previous period ended	Previous Financial Year ended
		31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
I	Revenue from operations	248.73	425.24	394.75	1,026.28	1,063.19	1,443.81
II	Other income	0.44	1.23	6.77	3.74	17.02	22.14
III	**Total income (I + II)**	**249.17**	**426.47**	**401.52**	**1,030.02**	**1,080.21**	**1,465.95**
IV	**Expenses**						
	(a) Cost of materials consumed	157.76	241.83	213.25	602.27	578.80	773.90
	(b) Purchases of stock-in-trade	0.25	3.12	2.40	4.95	5.11	7.88
	(c) Changes in inventories of finished goods, stock-in-trade and work in progress	57.51	(7.42)	(4.25)	37.82	12.48	7.05
	(d) Employee benefits expense	62.64	64.12	58.27	187.91	167.85	228.05
	(e) Finance costs	25.37	24.47	23.64	75.35	68.10	90.06
	(f) Depreciation and amortisation expenses	25.96	26.14	27.89	77.93	84.50	110.90
	(g) Other expenses (Refer Note 6)	132.24	85.92	79.79	298.19	216.46	292.89
	Total expenses (IV)	**461.73**	**438.18**	**400.99**	**1,284.42**	**1,133.30**	**1,510.73**
V	**Profit/(loss) before exceptionl items and tax (III - IV)**	**(212.56)**	**(11.71)**	**0.53**	**(254.40)**	**(53.09)**	**(44.78)**
VI	Exceptional item profit / (loss) (Refer Note 5)	(62.77)	(3.55)	-	(66.32)	-	-
VII	**Profit/(loss) before tax (V - VI)**	**(275.33)**	**(15.26)**	**0.53**	**(320.72)**	**(53.09)**	**(44.78)**
VIII	**Tax expense**						
	- Current tax	-	-	(0.11)	-	(0.11)	(0.11)
	- Deferred tax	-	-	0.22	(10.25)	(24.31)	(22.46)
	Total tax expense (VIII)	**-**	**-**	**0.11**	**(10.25)**	**(24.42)**	**(22.57)**
IX	**Profit/(loss) for the period (VII - VIII)**	**(275.33)**	**(15.26)**	**0.42**	**(310.47)**	**(28.67)**	**(22.21)**
X	**Other comprehensive income**						
A	**Items that will not be reclassified subsequently to profit or loss:**						
	(i) Remeasurement gains/(losses) of defined benefit plans	-	0.24	-	0.24	(1.66)	(2.70)
	(ii) Income tax relating to items that will not be reclassified subsequently to profit or loss	-	-	-	-	0.58	0.94
B	**Items that may be reclassified to subsequently to profit or loss:**					-	
	Income tax relating to items that may be reclassified to statement of profit and loss	-	-	-	-	-	-
	Total other comprehensive income/(loss) for the period (X)	**-**	**0.24**	**-**	**0.24**	**(1.08)**	**(1.76)**
XI	**Total comprehensive income/(loss) for the period (IX + X)**	**(275.33)**	**(15.02)**	**0.42**	**(310.23)**	**(29.75)**	**(23.97)**
XII	**Paid-up equity share capital (face value of Rs. 10/- each)**	36.00	36.00	36.00	36.00	36.00	36.00
XIII	**Other equity**						1,467.13
	Earnings per equity share (face value of Rs. 10/- each) (not annualised for quarters)						
	(a) Basic (in Rs.)	(76.49)	(4.24)	0.12	(86.25)	(7.96)	(6.17)
	(b) Diluted (in Rs.)	(76.49)	(4.24)	0.12	(86.25)	(7.96)	(6.17)
	See accompanying notes to the financial results						

SOLARA ACTIVE PHARMA SCIENCES LIMITED

SOLARA ACTIVE PHARMA SCIENCES LIMITED
CIN: L24230MH2017PLC291636
Regd. Office: No. 201 Devavrata, Sector 17, Vashi, Navi Mumbai 400 703.
Address: 2nd Floor, Admin Block 27, Vandaloor kelambakkam Road, Keelakottaiyur Village, Chennai 600 127

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2023

Notes:

1 The above standalone financial results of Solara Active Pharma Sciences Limited ("the Company") as reviewed by the Audit Committee has been approved by the Board of Directors at its meeting held on February 14, 2024. The results for the quarter and nine months ended December 31, 2023 has been reviewed by Deloitte Haskins & Sells LLP, the statutory auditors of the Company. The statutory auditors of the Company have issued an unmodified conclusion in respect of the limited review for the quarter and nine months ended December 31, 2023.

2 These standalone financial results of the Company have been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder ('IND AS') and other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India ("SEBI").

3 The Company's operations relate to only one reportable segment viz Active Pharmaceutical Ingredient (API). Accordingly no separate disclosure of segment information is required.

4 There was a fire accident at the Company's Puducherry facility on November 04, 2023 whereby 3 blocks out of the total 76 blocks were impacted by the fire. The resultant fire caused injuries to 14 workers and 12 workers were recovered and discharged while 2 have succumbed to injuries despite maximum efforts put to recover them. The fire also caused damages to our existing plant and equipment and inventories. There was disruption in the production at the Puducherry facility for a brief period and we have resumed the production after receiving the statutory approvals post the fire incident. The losses arising on account of the fire incident have been accounted under exceptional item. The Parent has submitted the initial insurance claims and pending submission of the final insurance claims, no income from insurance claims has been accounted for in these financial results.

5 **Exceptional item profit / (loss) :** **(Rs. In Crores)**

Sl. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for the current period ended	Year to date figures for the previous period ended	Previous Financial Year ended
		31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
I	Impairment on assets of the Parent classified as held for sale	-	(2.53)	-	(2.53)	-	-
II	Impairment on investments in Subsidiary	-	(1.02)	-	(1.02)	-	-
III	Exceptional loss on account of fire at Puducherry facility (Refer note 4)	(62.77)	-		(62.77)		
		(62.77)	**(3.55)**	**-**	**(66.32)**	**-**	**-**

6 During the quarter ended December 31, 2023, the Company has received claims of Rs. 43.8 crores from two of its customers. Pending finalisation of discussion, the Company has accrued for Rs. 43.8 crores towards such claims which has been included in 'Other expenses'.

For and on behalf of board

Poorvank Purohit

Poorvank Purohit
MD & CEO

SOLARA ACTIVE PHARMA SCIENCES LIMITED

Place : Bengaluru
Date : February 14, 2024