



SPARC/Sec/SE/2024-25/25

July 18, 2024

National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051.

BSE Limited,
Market Operations Dept.
P. J. Towers,
Dalal Street,
Mumbai - 400 001.

Scrip Symbol: SPARC

Scrip Code: 532872

Dear Sir/ Madam,

Sub: Submission of Annual Report of the Company for the financial year 2023-24 along with the Notice of 19th Annual General Meeting of the Company.

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the Annual Report of the Company for the financial year 2023-24 (“Annual Report”) along with the Notice convening the 19th Annual General Meeting (“Notice”) of the Company, scheduled to be held on Monday, August 12, 2024 at 04:00 P.M. (IST) through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”), copies of which are being e-mailed to the shareholders of the Company whose e-mail ids are registered with the Company’s RTA, Link Intime India Private Limited or their respective Depository Participant.

The Annual Report along with the Notice is also available on the website of the Company and can be accessed at <https://sparc.life/wp-content/uploads/2024/07/Annual-Report-and-Notice-of-19th-AGM.pdf>

The remote e-voting period shall commence on Thursday, August 08, 2024 at 09:00 A.M. (IST) and shall end on Sunday, August 11, 2024 at 05:00 P.M. (IST).

This is for your information and dissemination.


Thanking you,

Yours faithfully,

For **Sun Pharma Advanced Research Company Ltd.**

Kajal Damania
Company Secretary and Compliance Officer

Encl: As above

A large, abstract graphic design centered on the page. It features several overlapping organic shapes in shades of orange and yellow. One shape is filled with diagonal white lines. The background is a light gray grid with a cloud of colorful dots (yellow, green, blue, purple) and several white circles connected by thin white lines, suggesting a network or molecular structure.

Innovations
inspired by life

Contents

02

Management Discussion
and Analysis

51

Business Responsibility and
Sustainability Report

12

Board's Report

76

Financial Statements

29

Corporate Governance
Report

196

Notice of Annual General
Meeting



Check out our online report for simple navigation across your devices.

www.sparc.life



Scan the QR code for additional information

Disclaimer:

Statements in this annual report describing the Company's objectives, projections, estimates, expectations, plans or predictions or industry conditions or events may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results, performance or achievements could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, competitors' pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts businesses and other factors such as litigation and labour unrest or other difficulties. The Company assumes no responsibility to publicly update, amend, modify or revise any forward-looking statements, on the basis of any subsequent development, new information or future events or otherwise except as required by applicable law. Unless the context otherwise requires, all references in this document to "we", "us" or "our" refers to Sun Pharma Advanced Research Company Limited. All brands and trademarks are the properties of their registered owners.

Corporate Information

Corporate Information

Mr. Dilip S. Shanghvi

Chairman and Non-Executive Director

Mr. Sudhir V. Valia

Non-Executive Director

Dr. T. Rajamannar

Non-Executive Director

Ms. Bhavna Doshi

Independent Director

Dr. Ferzaan Engineer

Independent Director

Dr. Robert J. Spiegel

Independent Director

Ms. Vidhi Shanghvi

Non-Executive, Non-Independent Director
(appointed as additional director w.e.f. July 15, 2024)

Key Managerial Personnel

Mr. Anil Raghavan

Chief Executive Officer

Mr. Chetan Rajpara

Chief Financial Officer
(upto June 5, 2024)

Mr. Anup Rathi

(w.e.f. June 6, 2024)

Mr. Dinesh Lahoti

Company Secretary
(upto September 11, 2023)

Ms. Kajal Damania

Company Secretary
(w.e.f. September 22, 2023)

Auditors

S R B C & Co. LLP

(Registration No. 324982E/E300003)

Bankers

Kotak Mahindra Bank Ltd.

ICICI Bank Ltd.

Offices & Research Centres

Registered Office & Research Centre

Plot No. 5 & 6/1, Savli G.I.D.C. Estate, Savli - Vadodara
Highway, Manjusar, District Vadodara – 391 775.

Corporate Office & Research Centre

17-B, Mahal Industrial Estate,
Off Mahakali Caves Road,
Andheri (East), Mumbai - 400 093.

Branch Office

One Commerce Drive,
Cranbury, New Jersey - 08512

Research Centres

- F.P.- 27, Part Survey No. 27, C.S. No. 1050, T.P.S. No. 24, Tandalja, Vadodara - 390 012.
- 907/4, GIDC, Makarpura, Vadodara - 390 010.

Registrar & Transfer Agent

Link Intime India Pvt. Ltd.

C 101, 247 Park, LBS Marg, Vikhroli West,
Mumbai - 400 083.

Tel: +91 22 4918 6000 | +91 22 4918 6270

Fax: +91 22 4918 6060

E-mail: rnt.helpdesk@linkintime.co.in

Management Discussion and Analysis

Global Pharmaceutical Industry

Looking back on 2023, the word that stands out for the pharmaceutical industry is resilience. Despite the inconsistent macroeconomic factors including global turmoil, economic challenges, a tough biotech funding landscape, and unpredictable legislative and policy changes, 2023 was marked by notable achievements in Cell and Gene Therapies (CGT), the introduction of effective medications for obesity, and growing enthusiasm for Artificial Intelligence's (AI's) potential in drug discovery and clinical trials. Despite the instabilities, the industry has demonstrated its strength by introducing radical innovations that instill renewed dedication in people for their well-being.

The pharmaceutical industry is bracing for various external pressures and challenges expected to drive transformation. A significant obstacle is the growing consolidation in healthcare delivery, marked by a rise in Mergers and Acquisitions (M&A), resulting in fewer yet bigger, more powerful, and more intricate healthcare systems. Such circumstances will foster growth in the upcoming times through cutting-edge science and innovation in patient engagement approaches. Meeting these challenges demands a swift transition to a new market-oriented model. The pharma landscape has an unstable operating environment which adds dynamism to strategy building. Being exposed to risks stemming from geopolitical stress, national political unrest, and heightened regulatory scrutiny across the globe, certain realities like increased competition vying for the same space are factors that impact strategizing alongside the macro dynamics.

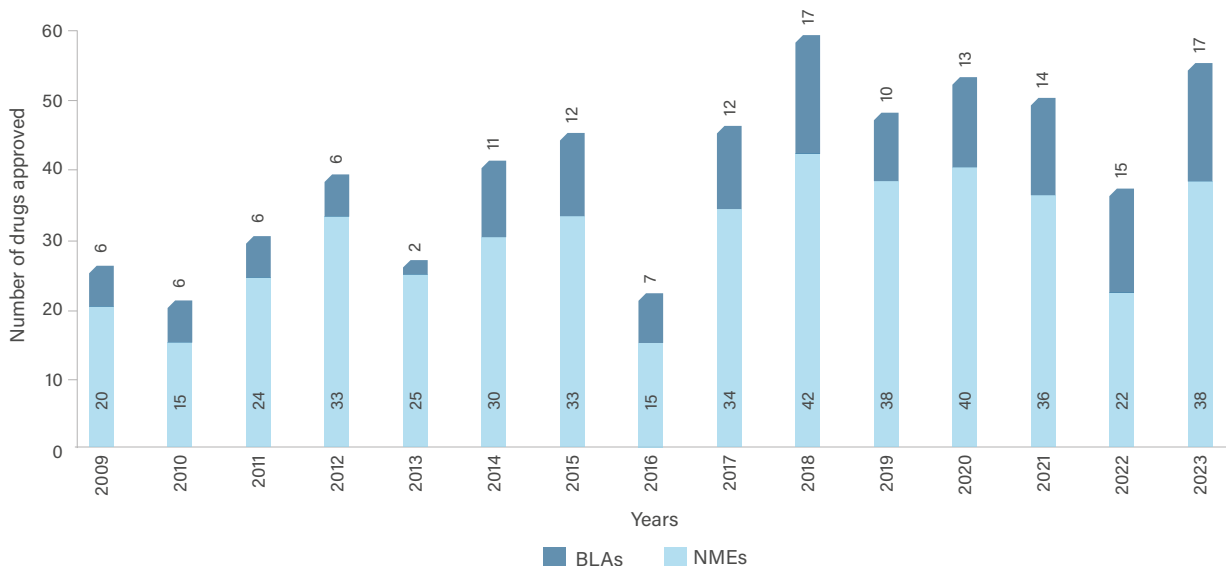
Despite facing challenges, 2024 could herald the beginning of a pharmaceutical renaissance, where the industry emerges as the true catalyst for a healthier world beyond simply providing medicines. The challenging circumstances today are projected to redefine the industry that has been in a constant state of transformation.

The evolution of science presents both opportunities and challenges, leading to intensified competition amongst existing drugs within specific therapeutic areas, greater spending on the treatment of niche patient populations, and heightened Research & Development (R&D) spending targeting identical biological targets. The future direction of the pharmaceutical industry and the development trends are reflected in the approval of new drugs; both in the number and modality of drugs being approved.

The industry's evolution is evident with the remarkable achievement of 55 new drug approvals by the United States Food and Drug Administration (USFDA) in 2023.¹ Furthermore, the ten-year rolling average for new Centre for Drug Evaluation and Research (CDER) approvals now stands at 46 per year, at its peak in over two decades.¹ Meanwhile, the USFDA's Centre for Biologic Evaluation and Research (CBER) has sustained its momentum, granting approvals for an expanding array of products throughout the year.

By modality, the medical toolbox continues to get more diverse. The notable milestones of 2023 include the introduction of the first CRISPR-Cas9-based gene editing product, alongside the release of two vaccines targeting Respiratory Syncytial Virus (RSV), accompanied by a surge in gene therapies.

Drug Approvals by the USFDA¹



1. Nature Reviews Drug Discovery 23, 88-95 (2024) | BLAs: Biologics License Applications | NMEs: New Molecular Entities

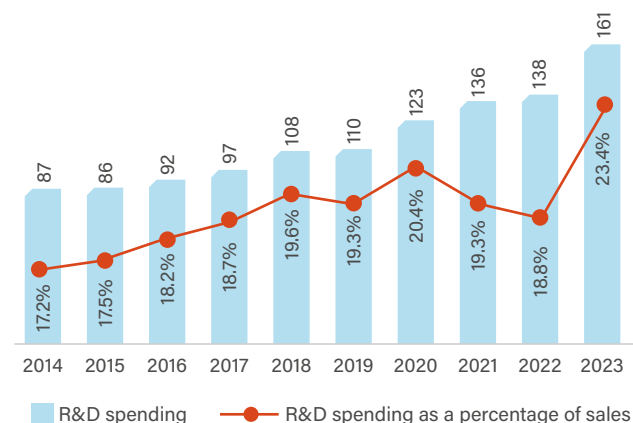
Notably, oncology emerges as the frontrunner in therapy approvals, with CDER approving 13 (24%) new cancer treatments in 2023.¹ In the past ten years, there has been a growing emphasis on developing targeted medications with innovative mechanisms for treating cancer. Additionally, there's a rising interest in exploring next-generation biotherapeutics for cancers where the number of trials initiated globally was up by five times than a decade ago, comprising a quarter of the hemato-oncology pipeline today. Some novel modalities that are being explored include multi-specific antibodies, Antibody Drug Conjugates (ADCs), and T-cell engager therapies. Multi-specific antibodies can target multiple pathways or employ different mechanisms simultaneously. Although multi-specific antibody development for cancer treatment had limited progress ten years ago, it has since experienced substantial growth constituting 5% of both the hemato-oncology and solid tumor pipelines.² Similarly, there has been notable progress in the development of new ADCs in oncology, making up 9% of the oncology pipeline in 2023.² ADCs assist in delivering cytotoxic agents directly to cancer cells improving the precision of already established oncology medications, and are also expected to minimize the adverse effects due to their cancer cell targeting ability. The year witnessed introduction of a second RNA-aptamer product, and approval of four new T-cell-engaging bispecific antibodies.

Neurology followed closely behind oncology with 9 (16%) approvals.² The USFDA continues to flesh out its use of regulatory flexibility in neurology, approving several new drugs based on surrogate biomarkers, even with limited evidence of clinically significant benefit.

Sharing the third spot are infectious diseases and hematology, each garnering 5 (9%) approvals.²

The increased number of new drug approvals over the years is directly proportional to the number of drugs under development and increased R&D spending by companies. Large pharmaceutical firms collectively spent a record \$161 billion on R&D in 2023, marking a nearly 50% surge over 2018.² The increased R&D spend by the companies reflects the industry's confidence and positive sentiment for innovation and drug development.

Worldwide Total Pharmaceutical R&D Spend (\$Bn)²



An important factor determining the growth of the industry is the usage of new drugs and the spending on the drugs. The global biotech spending is projected to surpass \$890 billion by 2028, with growth rates moderating to 9.5–12.5% due to the influence of biosimilar products.³ The availability of new medications is anticipated to influence worldwide biotech expenditure. The stakes of specialty drugs are predicted to constitute 43% of global expenditure by 2028, and over 55% of total expenditure in major developed markets.³

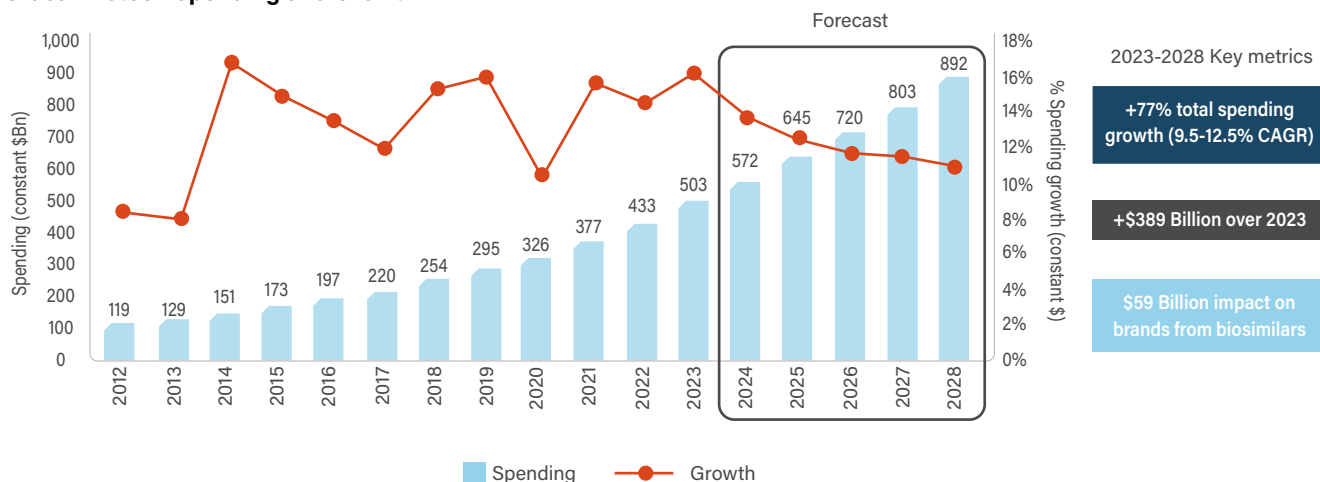
Growth in developed economies is accelerating driven by new products and wider use of existing branded medicines, however offset by patent expiries upto a certain extent. Latin America, Eastern Europe, and parts of Asia are expected to grow strongly driven by volume growth and adoption of novel medicines. The spending on the top two therapy areas globally that is, oncology and immunology is expected to experience Compound Annual Growth Rates (CAGR) of 14–17% and 2–5%, respectively, until 2028.³

Over the next five years, oncology therapy is expected to have around 100 new therapies, resulting in a rise in expenditure by \$224 billion.³ Despite encountering confined new losses on exclusivity, the oncology spend is expected to go over \$440 billion by 2028.³ Meanwhile, spending on treatments for autoimmune diseases is predicted to reach \$192 billion globally by 2028.³ This growth is expected to be propelled by a growing fraction of treated individuals and innovative offerings, although the emergence of biosimilars is expected to negatively impact growth on overall spending in immunology.

2. Global trends in R&D 2024: Activity, Productivity and Enablers; IQVIA Institute for Human Data Science; Feb 2024

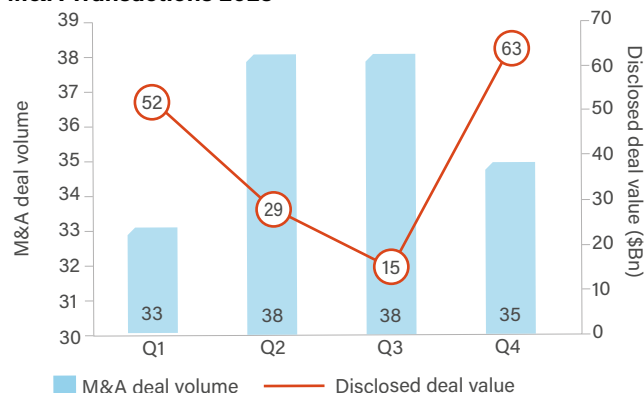
3. Global Use of Medicines: Outlook to 2028; IQVIA Institute for Human Data Science; Jan 2024

Global Biotech Spending and Growth³



Large-cap pharma companies will continue to face patent cliffs and gaps in their pipelines in the latter half of this decade and will look for M&A opportunities to achieve their growth plans. In 2023, the M&A arena saw a significant growth in value with the total surging to \$160 billion which marked an 84% increase from 2022.⁴ Though the number of M&A deals dropped from 171 last year to 144 this year, the per-deal value was significantly higher.⁴

M&A Transactions 2023⁴

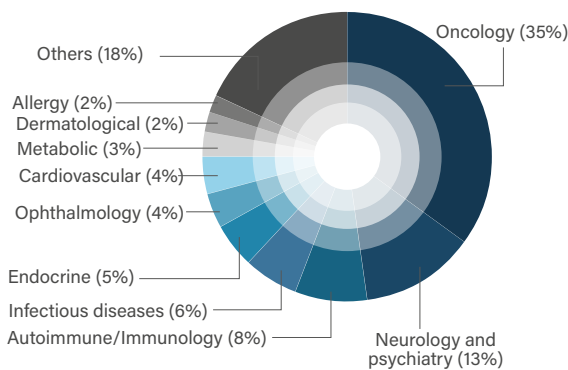


In the realm of pharmaceutical and biotech deals, precision medicine remained at the forefront in oncology and immunology. Yet, there was a discernible surge in interest towards treatments for weight loss and cardiovascular health during 2023.

In 2023, oncology made up for about more than half, that is 55% of the total deal value in the pharma and biotech sector.² The total deal market worth up to \$200 billion had the biggest deal across all therapy areas coming from Pfizer's acquisition of Seagen for \$43 billion, largely influenced by its ADC assets.² With a deal average of over \$2 billion in the sector, the majority of deal activity was concentrated in ADCs.² The ADC deals comprised 6 out of the 12 oncology deals and contributed \$94 billion to the \$109.6 billion value of oncology deals.²

4. Nature Reviews Drug Discovery 23, 101-102 (2024)

Therapy wise M&A transactions 2023⁴



Neurology had four transactions totalling to \$34 billion accounting for 17% of the deal-making.² The standout was BMS' acquisition of Karuna, a company specializing in neurological and psychiatric treatments, for \$14 billion.²

SPARC has been prudent in identifying the key growth areas early on and has developed a R&D pipeline of assets in oncology, neurodegeneration and immunology. Recognizing the growing focus on ADCs and biologics, as witnessed by recent M&A trends, SPARC has also started investing in building capabilities to pursue such novel modalities in the long run. SPARC expects to file the Investigational New Drug (IND) of its first ADC (SBO-154) in the coming year, and also develop other ADCs with different payloads using MUC-1 (Mucin-1) targeting antibodies as the platform approach for building ADCs and other biological entities. Similarly, for neurology/neurodegeneration, SPARC had prioritized the development of Vodobatinib for the treatment of neurodegenerative disorders i.e. Parkinson's Disease and Lewy Body Dementia. Neurodegeneration as a whole and specifically Parkinson's Disease has been an active area of development for many companies

since there are no approved disease-modifying agents for the treatment of neurodegenerative disorders.

Lastly, in the immunology space, SPARC has been focussing on dermatological autoimmune disorders. SPARC has deliberately identified dermatological immune-driven disorders as the space lacks safer oral or topical treatment options for the patients. Both Vibozilimod and SCD-153 program are under clinical development and data from the ongoing studies is expected to be available in the coming months for both the assets. SPARC's therapeutic focus is aligned with the current and the evolving interest of the pharmaceutical industry, and the modality mix of the current pipeline presents interesting opportunities for SPARC, which upon successful development are expected to add meaningful benefit to the treatment paradigms.

Biopharma Trends

As always, the start of a new year brings a sense of hope and opportunity – and this sentiment seems particularly strong for 2024. In a world increasingly reliant on data, safeguarding patient privacy is essential for progress, and achieving this seems feasible through the rapid emergence of Generative Artificial Intelligence (GenAI). The advancements in treatment methods offer promising prospects for enhancing patient outcomes. The market conditions will remain challenging with the implementation of the Inflation Reduction Act (IRA) which is influencing investment decisions impacting portfolios. Alongside this, the industry is surrounded by the uncertainty of the election outcomes. Nevertheless, there's a positive outlook for 2024 with key trends paving the way for areas of growth and transformation that will impact the pharmaceutical industry and the healthcare sector.

1. Preventive healthcare may become a reality

Preventive care is a lucrative option because it delays progression and eliminates serious illnesses in some cases. It might see a revival as patients, healthcare providers, and insurers seek to enhance overall well-being. Effective weight loss medications are transforming the landscape of the obesity market, positioning it to become one of the most significant markets in the years ahead. As it has the potential to delay the onset of severe, advancing illnesses like diabetes and cardiovascular diseases, the expense of obesity treatments seems justified. The advent of Glucagon-like peptide 1s (GLP-1s) mark a new phase in medicine as the treatment not only addresses weight loss but also offer cardioprotective benefits. This shift signifies a departure from the past notion of preventive care being overshadowed, reminiscent of the era when statins became

generic in the markets. However, the challenge lies in meeting the increasingly stringent criteria for demonstrating positive results, which is now higher in healthcare.

2. Orphan disease treatments are on the brink of achieving widespread commercial feasibility

Despite several hurdles associated with introducing CAGTs to the market, they are entering the US healthcare arena, providing novel remedies for individuals with limited or non-existent treatment alternatives. Utilizing predictive analytics and other AI algorithms enhance the efficiency and precision of identifying at-risk patients. This reduces the interval between diagnosis and commencement of treatment. Thus, challenges in recognizing small patient groups and expanding manufacturing capabilities are starting to diminish. More robust commercial performance is anticipated in 2024 as companies operating in the CAGT sector are either bolstering their in-house manufacturing capacities or forming enduring collaborations with Contract Development and Manufacturing Organizations (CDMOs). This solves one front of the problem, however, commercialization challenges of coverage and reimbursement models for these expensive treatments are still a concern. The warranty-based model has come to the rescue of the CAGT companies where the performance of their product over time serves as a basis for reimbursement. This is still under evaluation by payers regarding pricing, but it reflects a commitment to making transformative treatments accessible.

3. Promising growth prospects with disease-modifying treatments for Central Nervous System (CNS) disorders

Neurodegenerative disease presents a significant challenge with high levels of unmet needs, compounded by a staggering 99% failure rate in clinical trials over the last twenty years.⁵ The emergence of disease-modifying treatments like Eisai's lecanemab and Eli Lilly's donanemab aim to alleviate symptoms and slow down the progression of the disease, and are forecasted to achieve blockbuster status by 2028. Investment in CNS therapies is expected to persist and diversify, extending beyond anti-amyloid approaches to include vaccines, stem-cell therapies, and treatments targeting tau aggregates.

4. The effects of the Inflation Reduction Act on portfolio and pipeline strategies persist

The effects of the IRA are materializing. Penalties based on the Consumer Price Index (CPI) were imposed on 27 products that saw list price hikes surpassing inflation rates, with

5. A coming (r)evolution? Pharma industry outlook, trends and strategies for 2024; Bill Coyle and Karishma Trikha; Feb 13, 2024

manufacturers slated to settle these penalties by 2025.⁶ The eagerly awaited roster of the ten medications included in the Medicare Drug Price Negotiation Program has been unveiled. As the IRA rollout progresses, its ramifications and subsequent outcomes are becoming clearer. The interconnection among profit margins, gross-to-net figures, and product launches is more intertwined than before, necessitating meticulous financial strategizing. Therefore, 2024 is expected to remain focussed on refining pipelines, making astute deal negotiations, evaluating market entry prioritization, and assessing market viability. The potential consequences of Medicare Part D liabilities and pricing constraints stemming from the IRA are likely to influence markets across various therapy domains and patient demographics. However, there could be substantial advantages for patients, such as reduced out-of-pocket expenses. This crucial aspect of accessibility may contribute to enhanced treatment adherence, a primary objective for manufacturers. Although the ongoing effects are still unfolding, scenario analysis can provide clearer insights and help with strategic choices.

5. Biosimilars in chronic specialty pharmacy: A forthcoming reality

In 2023, paradigm shifts occurred in the biosimilar market. It was marked by intense competition with globally established drugs, the introduction of innovative pricing strategies, and bringing in the most refined inventory management practices. These changes have furthered the promise of biosimilars in enhancing savings and patient accessibility, driven by evolving payer dynamics, and provider perceptions. However, challenges persist in the adoption of biosimilars, notably due to the absence of interchangeability designation, which many providers deem crucial for prescribing specific treatments to their patients. While certain makers opt out of pursuing an interchangeability designation, many healthcare professionals consider this designation as essential for prescribing specific treatments. Additionally, some providers exhibit reluctance to alter therapies for patients, particularly when the reference product proves effective, notwithstanding the potential for financial benefits. However, there is a possibility that these ideas are evolving.

Productivity Enablers

Productivity is affected by multiple factors worldwide. This global impact calls for innovations in clinic to push productivity enablement at the front seat. Key productivity enablers include biomarker utilization, strategic site selection, novel trial designs, decentralized methodologies, and AI and Machine Learning (ML) in drug discovery.

The pharma domain has witnessed changes in regulatory landscapes in major markets such as the United States (US), European Union (EU), United Kingdom (UK) and China. There were key initiatives such as the implementation of the Clinical Trial Regulation (CTR) in the EU, the Medicines and Healthcare products Regulatory Agency (MHRA) restructuring post-Brexit, China's alignment with International Council for Harmonisation of Technical Requirements of Pharmaceuticals for Human Use (ICH) guidelines, and ongoing updates to clinical trial guidelines. China and the EU have impressively made efforts to improve transparency in the regulatory process. Regulatory agencies like the USFDA, National Medical Products Administration (NMPA), MHRA and the European Medicines Agency (EMA) are increasingly open to innovative approaches, with varying degrees of guidance, and fast-track programs. These changes will play a role in R&D's focus and choice of specific geographies while designing trials.

Clinical development programs are harnessing the power of AI and ML, making the process more agile and productive. The programs using these technologies in discovery are maturing and are resulting in a higher number of late-stage programs. However, they are still to deliver a novel active substance to the market. Start-ups and established healthcare companies are applying AI/ML technology to leverage growing chemical, biological, and patient datasets to accelerate and improve drug target and drug selection across the entire drug discovery continuum and perform trial simulations. AI aided target selection by interrogating clinical, experimental, and 'omics' data to better characterize disease states and identify novel 'druggable' targets has been used and analyzed.

Clinical trials have become complex, wherein factors such as the number of countries and sites play a paramount role. Emerging biopharma are running more single-country trials, with smaller subject size, site, than large pharma. Another key element of productivity is trial duration, and while the trial durations have declined, the 'white space' which is the inter-stage duration between clinical trial phases before starting a subsequent research phase, has increased. This has resulted in an overall increase in the development timelines. Faster trials with expedited regulatory pathways were used for biologics, orphan, and specialty drugs, an important feature as these pathways and drug types have an increasing share of new drug launches. Impressive clinical program design strategies such as the use of predictive biomarkers, single-arm trials, and combined phases contribute to shorter development durations and have positively impacted expense structures as well. Notably, biomarker use has led to significant time reductions in the patent approval process. The shift towards fewer subjects, sites, and countries per trial, with shorter timelines and cost savings is likely contributing to productivity gains in the industry.

6. US government to impose inflation penalties on 27 drugs; By Reuters; Mar 15, 2023

Indian Pharmaceutical Industry

The Indian pharmaceutical industry presents significant opportunities for growth and innovation. With the industry currently valued at \$50 billion, there is immense potential for expansion.⁷

The industry's evolution is being sculpted by several pivotal trends, including robust regulatory support, the adoption of digital technologies, heightened cybersecurity measures, and a rise in partnerships between academia and industry. These developments are propelling the sector towards an innovation-driven future, underpinned by government initiatives such as the Production Linked Incentive (PLI) scheme, MedTech Policy, and the draft National Pharma Policy, aiming to encourage research and development and self-sufficiency.

India is recognized as a global frontrunner in numerous pharmaceutical sectors, including the production of generic drugs. The nation plays a critical role in the global healthcare ecosystem, particularly in vaccine production, the supply of generic medicines, and providing affordable Human Immunodeficiency Virus (HIV) treatments.

The next frontier for India is to focus on disruptive innovation. The country is building a robust innovation ecosystem aimed at fostering collaboration among key stakeholders such as major pharmaceutical and biopharmaceutical companies, startups, biotechs, academic institutions, and clinical researchers. This collaborative effort is pivotal in driving innovation that focuses on creating substantial value. The success and sustainability of this ecosystem hinge on critical facilitators such as funding, infrastructure development, and supportive policies and regulations.

Biopharmaceutical firms play a crucial role not only in advancing drug research and development but also in leveraging innovation originating from academia and startups, transforming these innovations into tangible advancements in the market. Additionally, Global Capability Centers (GCCs) significantly contribute to India's innovation landscape by nurturing talent and enhancing skills across the entire value chain. They streamline processes, particularly in complex and strategic areas, enabling India to compete effectively on a global scale.

Harnessing its prowess in Information Technology (IT), India is using digital tools and data analytics to lead global advancements in R&D, taking innovation to new heights within the pharmaceutical industry. As many Indian enterprises venture into next-generation therapeutics, the country is on the brink of a transformative phase, moving steadily toward its discovery phase.

The Indian pharmaceutical industry is on a trajectory to achieve a market value of \$65 billion by 2024, with projections indicating a continued growth momentum at a CAGR of 10.7% up until 2030, positioning India as a key player in the global pharmaceutical landscape.⁷

3.3%
Total Foreign Direct Investment (FDI)⁸

\$21.58 Bn
FDI (Apr 2000 to Sept 2023)⁸

\$25.3 Bn
Export of pharmaceuticals⁸

Opportunities

Recent policy changes and government reforms have strategically positioned India in a favorable position. In September 2023, the government introduced the National Policy on R&D and Innovation in the Pharma-MedTech Sector in India, alongside the Scheme for Promotion of Research and Innovation in the Pharma-MedTech Sector (PRIP). These initiatives aim to enhance the skill and capacity ecosystem, involving academia and the private sector, and stimulate new entrepreneurial talent among the youth through startups.

India is highly regarded for global investments and the establishment of local manufacturing units. The government allows 100% FDI for greenfield projects and 74% FDI for brownfield projects under the automatic route.⁸ Additionally, plans are underway to create three bulk drug parks in Gujarat, Himachal Pradesh, and Andhra Pradesh, aimed at bolstering India's drug security. The Production Linked Incentive (PLI) scheme has also been introduced to boost domestic manufacturing of critical Key Starting Materials (KSMs), Drug Intermediates (DIs), and Active Pharmaceutical Ingredients (APIs) in India. This initiative is expected to foster the production of high-value products within the country, enhance value addition in exports, and create significant employment opportunities.

India is recognized for its robust drug manufacturing capabilities, specializing in producing affordable generic drugs and providing complete end-to-end manufacturing solutions. Collaborations with global partners for contract manufacturing are further strengthening India's role in the worldwide pharmaceutical supply network. Outsourcing has emerged as a prevalent industry practice, encompassing various corporate functions—from initial screening and lead identification to toxicology, as well as

7. State of Biopharmaceutical Industry Analysis; Global Data; May 2024

8. Formulating success: The Indian pharmaceutical industry; Invest India; Jun 2024

extensive processes such as preclinical studies, clinical trials, manufacturing, and marketing across all levels.

The adoption of innovative production techniques and a focus on securing patents for novel drugs are opening new avenues for growth and competitiveness in the global market. Alongside this, the launch of the world's largest National Health Protection Scheme ensures strong domestic demand in India. This also contributes significantly to the industry's growth and market expansion.

Challenges

The key challenge faced by the companies is the pricing pressures owing to strict government regulations on drug pricing, affecting their revenue and profitability. The pricing regulations create financial constraints and impact investment returns, posing challenges to sustainable growth. Consolidation in the US pharmaceutical market has led to lower bargaining power for Indian players thereby exerting pricing pressures. Further, faster Abbreviated New Drug Application (ANDA) approvals due to the implementation of Generic Drug User Fee Amendments (GDUFA) have led to more players entering the US generic pharmaceutical market, thereby putting pressure on realizations.

In terms of innovation, Indian pharmaceutical companies face a significant challenge related to the shortage of skilled professionals. There is a noticeable talent gap throughout the entire lifecycle of pharmaceutical product development, indicating a gap between academia, and industry needs. Increased government funding for research and innovation in academic institutions could play a crucial role in addressing this issue.

A more recent challenge not just for the Indian sector but globally is the emergence of cybersecurity risk with potential threats including data breaches and external attacks.

The evolving landscape of the industry and the recent trends driving the change, will have its impact on the industry, including SPARC. Some trends like the preventive healthcare, and increased spend on treatment of orphan diseases are expected to drive the demand, and growth for the industry. At the same time, industry will have to deal with the challenges of IRA, and the increasing use of biosimilars which are expected to deaccelerate the projected growth in the coming years.

In the grand scheme of things, the landscape grows even more complex as advanced therapeutics like CAGT emerge from research pipelines. Regenerative medicine and genetic tools introduce new scientific complexities, and risk factors for the long-term perspective.

This shakeout will however, create opportunities, and reshape the landscape, shifting away from short-term strategies towards sustainable approaches.

SPARC may be better positioned than its peers to mitigate the effects of some of the challenges. The therapeutic focus of current portfolio is aligned to therapy segments that are anticipated to have highest growth in spending in the coming years. Additionally, an important aspect of SPARC's portfolio is the development of assets in areas that have limited competitive intensity viz. developing oral agent for treatment of dermatological disease driven by autoimmunity (SCD-044), wherein the therapeutics space is dominated by injectables. Not just the portfolio, the capability set at SPARC has also evolved to discover and develop novel modalities like biologics and ADCs which can provide longer period of exclusivity under IRA.

SPARC's Response to Global Trends

With the changing landscape, SPARC remains dedicated to innovation, focusing on developing therapies that could meet unmet medical needs while emphasizing strong pipeline management to minimize any potential setbacks. SPARC realized early that incremental change won't be enough to deliver the results that the market and patients demand. Real change will be paramount to achieving meaningful growth in the short and long term.

While investing in validated pathways and known mechanisms may seem to present lower risk, this is the same strategy that's producing more head-to-head competition and driving down returns in the commercial markets. It helps to explain why the upward trend in drug approvals is not translating into outperformance for the sector. Similarly, the shift of the last decade to concentrate R&D investment increasingly in specialty care categories means smaller patient populations on average. This may drive outperformance in areas with limited competition and/or strong pricing power. Developments in the markets with white spaces may prove to be good strategies — higher risk but less crowded commercial markets with large patient populations.

Aligned with the global trends and enablers SPARC has identified key areas to focus on i.e. oncology, neurodegeneration, and immunology. SPARC changed the modality mix, and focussed on areas that are expected to drive the future growth of the industry, some examples of the shift by SPARC include development of ADCs in oncology, use of biomarkers in clinical studies, and use of technology for drug development and clinical trial execution.

SPARC's measured response to the industry trends over the years has helped in building a pipeline of assets that can develop drugs of the future to address the treatment gaps and provide better therapeutic options for patients.

Key Financial Ratios (Consolidated basis)

Key Financial Ratios	FY 2023 - 2024	FY 2022 - 2023	Reason
Debtors Turnover	3.13	7.90	Due to decrease in revenue and receivables from customer during current year
Inventory Turnover (no. of days)	N.A.	N.A.	Due to nil inventory
Interest Coverage Ratio (in times)	N.A.	N.A.	Due to higher losses
Current Ratio (in times)	1.02	2.54	Due to cash losses in current year
Debt Equity Ratio (in times)	0.49	0.03	Due to cash losses in current year
Operating Profit Margin (in %)	(509.81)	(90.02)	Due to decrease in revenue during current year
Return on Net Worth (in %)	(307.91)	(43.41)	Net worth during the year has reduced due to losses during the year
Net Profit / Loss Margin (%)	(513.74)	(93.22)	Due to decrease in revenue during current year

SPARC's Performance Overview

During 2023-24 SPARC continued its focus on execution of ongoing clinical studies of assets by capitalising on its internal expertise and infrastructure.

The activities under the PROSEEK study for Vodobatinib and the Phase 1 study of SCD-153 progressed as planned and the development of preclinical programs continued to ensure the assets are getting ready for clinical evaluation in the coming months and years, including SBO-154 which is expected to enter clinical evaluation next year. SPARC also worked with an alternate API vendor for batch manufacturing of PDP-716, and aims to refile the New Drug Application (NDA) with USFDA during FY25.

Strategic partnerships remained a priority for SPARC during the year, and multiple collaborations were initiated for drug discovery, and research.

This company is committed to innovation, and meeting diverse healthcare needs through ground-breaking therapeutic advancements.

Progress on Key Programs

Elepsia XR for the treatment of Epilepsy

Elepsia XR experienced a robust uptake in sales following its launch but faced commercial challenges due to an import alert at the partner's manufacturing site. This unexpected setback prompted the identification of an alternate manufacturing site. SPARC is working with the management of the alternate site, and the Tripoint team to initiate the process of tech transfer.

PDP-716 for the treatment of Open-Angle Glaucoma

PDP-716 is a novel, once-a-day formulation of brimonidine developed using SPARC's proprietary TearAct technology. The

USFDA issued a Complete Response Letter (CRL) to the NDA for PDP-716, citing inspection findings at a third-party API manufacturing facility. The regulatory agency did not request additional clinical data or trials. SPARC and Visiox team identified an alternate API partner, and plan to refile the NDA during FY25.

Sezaby for the treatment of Neonatal Seizures

Sezaby is the only approved formulation of phenobarbital by the USFDA. SPARC filed a Public Interest Litigation (PIL) with the USFDA, and issued cease and desist letters to curb the commercialization of unapproved formulations currently available in the market. Additionally, the Company is focused on developing a robust supply chain to ensure reliable product availability, and reduce any challenges that may arise due to supply from a single site. SPARC filed an additional manufacturing facility for Sezaby, and is working closely with the USFDA for approval of the new site.

SPARC also engaged the USFDA to grant pediatric rare disease review voucher associated with the approval of Sezaby.

Vodobatinib for the treatment of Neurodegenerative Diseases (SCC-138)

SPARC completed the recruitment of 513 patients on the PROSEEK study, and announced the results from the interim analysis of data from 442 patients who completed 40 weeks of treatment on the PROSEEK study. The study failed to demonstrate the superiority of Vodobatinib in the pre-specified primary endpoint of change in Movement Disorder Society sponsored revision of the Unified Parkinson's Disease Rating Scale (MDS-UPDRS) Part III total score as compared to placebo. SPARC determined that the study has not shown evidence of treatment benefit in patients receiving Vodobatinib, and consequently decided to close the study.

SPARC plans to complete the full analysis of clinical outcomes, and correlative biomarker data in the coming months. Basis the

analysis of the data SPARC will decide on the next steps for Vodobatinib in neurodegenerative disorders.

Vodobatinib for the treatment of Chronic Myelogenous Leukemia (CML) (SCO-088)

SPARC had considered Vodobatinib for the treatment of CML as a hedge to the neurodegenerative disorders, and since the PROSEK study did not meet the primary endpoint SPARC reinitiated the development of Vodobatinib for the treatment of CML.

SPARC plans to develop Vodobatinib for the treatment of CML in collaboration with a partner, and has initiated the process for licensing the asset.

Vibozilimod for the treatment of Autoimmune Disorders (SCD-044)

Vibozilimod (SCD-044) is a selective sphingosine-1-phosphate receptor 1 (S1PR1) agonist targeting autoimmune disorders. Sun Pharmaceutical Industries Limited (SPIL) is conducting 2 separate clinical studies of Vibozilimod in patients with Atopic Dermatitis (SOLARES AD), and Psoriasis (SOLARES Pso).

The top-line data from the interim analysis of the SOLARES AD study are expected during Q3 FY25.

SCD-153 for the treatment of Alopecia Areata

SCD-153 is a novel topical agent being developed for the treatment of alopecia areata. In preclinical studies, SCD-153 has demonstrated the potential for regrowth of hair in animal models.

SPARC filed the IND for SCD-153 with Drug Controller General of India (DCGI) and started Phase 1 study in India. Currently Single Ascending Dose (SAD) study is ongoing, and SPARC plans to start the Multiple Ascending Dose (MAD) study soon for SCD-153.

SBO-154 for multiple cancer indications

SBO-154 is an ADC being developed for multiple tumor types expressing MUC-1. SBO-154 targets a novel epitope on the MUC-1 protein present on the cell surface of cancer cells.

Validation and preclinical evidence confirm the effectiveness of SBO-154, and SPARC plans to file the IND for SBO-154 by Q4 FY25.

Outlook

SPARC executed the operational plans well during FY24, however, it also saw a setback in PROSEK study with Vodobatinib missing the primary endpoint in the study. The negative outcome of the PROSEK study has an impact on the potential cash flows for SPARC, and SPARC plans to be prudent in spending the available resources, and also reassess the portfolio, and portfolio strategy once the full data is available.

Vodobatinib will now be developed for the treatment of CML, and SPARC plans to develop the asset in collaboration with a partner. The key objectives for SPARC in the short-term include executing transaction with potential partner for CML, completing the SAD & MAD study of SCD-153, and filing IND for SBO-154.

For the licensed programs SPARC in collaboration with partners will drive the execution of ongoing priorities i.e. resubmission of PDP-716 NDA with the USFDA, completion of ongoing studies of Vibozilimod in Atopic Dermatitis, and Psoriasis, and complete tech transfer of Elepsia to identified contract manufacturing organization (CMO).

An immediate priority for SPARC will be to raise funds for managing the operations, and execution of programs under development, and also build the preclinical pipeline. The pipeline build will be driven by collaborations based on our model with academia.

SPARC will continue the development of ongoing programs however, it will assess the capabilities, and resources required to execute the programs, and align the organizational structure in line with the portfolio.

Human Resource Strategy

We at SPARC have a team of talented, dynamic, multicultural, and multilingual individuals who work towards SPARC's business plan. There is a constant effort to inculcate a culture based on the values of Sunology which are Innovation, Integrity Passion, and Humility.

Human Resource Management with a focus on change management is essential for any company to thrive in today's competitive landscape. The Company regularly collaborates with some of the top Indian universities, and training institutes to upgrade our knowledge, and industry practices, and align them with our changing business strategies.

In line with our business strategy, the HR team is in constant pursuit to foster a culture of excellence, and innovation, by attracting top talent, nurturing employee development, and ensuring a supportive work environment where every individual has the opportunity to showcase their talent, and grow with SPARC.

Through proactive talent management, robust training programs, and employee engagement initiatives, SPARC's HR strategy is solely focused on driving organizational growth, performance, and sustainability in the pharmaceutical industry. The team has integrated technology into HR practices to be more agile,

analytical, and streamline some of the old HR processes which were not equipped to meet the demands of the changing business requirements, and talent expectations. Effective communication platforms are used to foster transparency, and create open forums for discussions to address concerns, and keep the workforce informed of all developments within the organization on a real-time basis.

As of 31st March 2024, the Company has a dedicated team of 409 employees (across India, and the US), of which 85% are scientists.

Risks and Concerns

Pharmaceutical R&D carries significant risk as it explores uncharted paths and evaluates untested ideas. Our focus has been on developing programs that have manageable risks. The Company is subjected to certain risks and uncertainties related to, among other things, product development, clinical trial failures, regulatory approval, market acceptance, scope of patent and proprietary rights, competition and technological advancements. Our revenue and earnings, cash flows can be impacted by fluctuations in foreign exchange rates and interest rates. We undertake a thorough risk management process, identifying the main risks to our business, their possible impact and take necessary actions to mitigate the same.

Internal Control Systems and their Adequacy

We have well-defined and adequate internal controls for efficient operations. We are cognizant of applicable laws and regulations, particularly those related to the protection of intellectual properties, resources, and assets, accurate reporting of the financial transactions and our internal policies adequately cover the evolving needs. The internal control systems are supplemented by extensive internal audits, conducted by an independent audit firm.

Disclaimer

Certain information set forth in this MD&A, including management's assessment of the Company's future plans and operations, contains forward-looking statements which are based on the Company's current internal expectations, estimates, projections, assumptions and beliefs, and which may prove to be incorrect. These statements do not guarantee future performance. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause the Company's actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. The forward-looking statements represent the Company's intentions, beliefs or expectations and it speaks of assumptions which are made as of the date hereof. The Company assumes no obligation to update or revise such statements to reflect new events or circumstances unless otherwise required to by applicable securities laws.

Board's Report

Dear Members,

The Board of Directors presents the Company's Nineteenth (19th) Annual Report and the Company's Audited Standalone and Consolidated Financial Statements for the financial year ended March 31, 2024.

FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2024 is summarized below:

(₹ in Lakh)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
Total Income	10,501.46	24,965.75	10,501.46	24,965.75
Profit/(Loss) before Finance Cost, Depreciation & Tax	(37,432.24)	(20,317.80)	(37,262.68)	(20,317.80)
Finance Cost	165.52	763.47	169.46	763.47
Depreciation	1,212.76	1,177.08	1,251.05	1,177.08
Profit/ (Loss) before Tax	(38,810.52)	(22,258.35)	(38,683.19)	(22,258.35)
Tax Expense - Current	-	-	163.42	-
Tax Expense - Deferred	-	-	(125.22)	-
Profit/ (Loss) after Tax	(38810.52)	(22,258.35)	(38,721.39)	(22,258.35)
Gain on remeasurement of the defined benefit plans	18.74	135.39	18.74	135.39
Gain on translating the financial statements of foreign operations	-	-	0.68	-
Total Comprehensive Income/ (Loss)	(38,791.78)	(22,122.96)	(38,701.97)	(22,122.96)
Balance brought forward from Previous Year	(1,59,181.34)	(1,37,058.38)	(1,59,181.34)	(1,37,058.38)
Balance carried to Balance Sheet	(1,97,973.12)	(159,181.34)	(1,97,883.99)	(159,181.34)

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY, BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THIS REPORT

There were no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year ended March 31, 2024 and the date of this Report.

CONSOLIDATED FINANCIAL STATEMENT

The consolidated financial statements of the Company and its subsidiary for FY 2023-24 are prepared in compliance with the applicable provisions of the Companies Act, 2013 ("the Act") and as stipulated under Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") as well as in accordance with the Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015. The audited consolidated financial statements together with the Independent Auditor's Report there on form part of this Annual Report.

DIVIDEND

In view of the losses incurred during the year, your directors have not recommended any dividend for the year under review.

DIVIDEND DISTRIBUTION POLICY

In compliance with the requirements of Regulation 43A of the SEBI Listing Regulations, the Board of Directors of the Company has formulated a Dividend Distribution Policy, which is available on the website of the Company and may be accessed through the web link <https://sparc.life/statutory-disclosures/policies-and-codes/>

ANNUAL RETURN

The Annual Return as required under Section 134(3) and Section 92(3) of the Act in form MGT-7 is made available on the website of the Company and can be accessed through the web link <https://sparc.life/statutory-disclosures/shareholders-meeting/>

SUBSIDIARY/ JOINT VENTURE/ ASSOCIATE COMPANY

As on March 31, 2024, the Company has one Wholly Owned Subsidiary namely SPARCLIFE Inc. incorporated at Delaware, USA on September 25, 2023. There are no associates or joint venture companies within the meaning of Section 2(6) of the Act.

Pursuant to the provisions of Section 129(3) of the Act, a separate statement containing the salient features of the financial statements of the Company's subsidiary in prescribed Form AOC - 1 is attached as **Annexure 1**.

Further, pursuant to the provisions of Section 136 of the Act, the audited Standalone and Consolidated Financial Statements of the Company are available on the Company's website at <https://sparc.life/statutory-disclosures/shareholders-meeting/>.

SHARE CAPITAL

During the year under review there was no change in the capital structure of the Company. The paid-up capital of the Company as at March 31, 2024 is Rs. 32,45,21,588/-.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year, following were the changes in Key Managerial Personnel:

1. Mr. Dinesh Lahoti resigned from the position of Company Secretary and Compliance Officer w.e.f. the close of business hours of September 11, 2023.
2. Ms. Kajal Damania has been appointed as the Company Secretary and Compliance Officer effective from September 22, 2023.

After the year end and up to the date of the Report, following were the changes:

1. Mr. Sudhir V. Valia (DIN:00005561), Non-Executive, Non-Independent Director of the Company would retire and cease to be the Director upon conclusion of 19th Annual General Meeting of the Company to be held on August 12, 2024.
2. The Board of Directors at its meeting held on July 15, 2024, on the recommendation by Nomination and Remuneration Committee, has approved the appointment of Ms. Vidhi Dilip Shanghvi (DIN: 06497350) as a Non-Executive, Non-Independent Director effective from July 15, 2024, subject to the approval of the members at the ensuing 19th Annual General Meeting of the Company.
3. The Board of Directors at its meeting held on May 24, 2024, on the recommendation by Nomination and Remuneration Committee, has approved the re-appointment of Dr. Robert

J. Spiegel as an Independent Director of the Company for a second term of five years with effect from June 1, 2025 to May 31, 2030, subject to approval of the members at the ensuing 19th Annual General Meeting of the Company.

4. The Board of Directors at its meeting held on May 24, 2024, on the recommendation by Nomination and Remuneration Committee and Audit Committee, accepted the resignation of Mr. Chetan Rajpara from the position of Chief Financial Officer and KMP of the Company w.e.f. the close of business hours of June 5, 2024. The Board placed on record its appreciation for the valuable contribution and the significant impact Mr. Chetan Rajpara made to the organization during his tenure as Chief Financial Officer of the Company.
5. The Board of Directors at its meeting held on May 24, 2024, on the recommendation by Nomination and Remuneration Committee and Audit Committee appointed Mr. Anup Rathi as the Chief Financial Officer and KMP of the Company effective from June 6, 2024.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under section 134(5) read with section 134(3)(c) of the Act, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a) In the preparation of the annual accounts for the financial year ended March 31, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the loss of the Company for the year ended on that date;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the annual accounts on a going concern basis;
- e) The Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with Rule 5 of the (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI Listing Regulations.

In terms of the requirements under the SEBI Listing Regulations, the Board has identified list of key skills, expertise and core competencies of the Board, including the Independent Directors, details of which are provided in the Corporate Governance Report forming part of this Annual Report.

Further, in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors have registered themselves with the Independent Directors Databank. .

In the opinion of the Board, all the Independent Directors of the Company satisfy the criteria of independence as defined under the Act, rules framed thereunder and the SEBI Listing Regulations, and that they are independent of the Management of the Company. .

POLICY ON DIRECTORS' AND SENIOR MANAGEMENT APPOINTMENT AND REMUNERATION

For the purpose of selection of any Director, the Nomination and Remuneration Committee identifies persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and also takes into consideration recommendation received, if any, from a board member. The Committee also ensures that the incumbent fulfils such other criteria with regard to age and other qualifications as laid down under the Act or other applicable laws.

The Board, on the recommendation of the Nomination and Remuneration Committee, has framed a policy for selection, appointment and remuneration of Directors. The summary of Remuneration Policy is disclosed in the Corporate Governance Report, which forms a part of this Report.

The Policy as approved by the Board is available on the website of the Company and can be accessed through the web link <https://sparc.life/statutory-disclosures/policies-and-codes/>

FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

In compliance with the requirements of Regulation 25(7) of the SEBI Listing Regulations, the Company has put in place a Familiarization Program for the Independent Directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model etc. The details of the

Familiarization Program conducted are available on the website of the Company and can be accessed through the web link <https://sparc.life/statutory-disclosures/policies-and-codes/>

EVALUATION OF PERFORMANCE OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTOR

The Company believes that the process of performance evaluation at the Board level is pivotal to its Board Engagement and Effectiveness. The Policy and criteria for Board Evaluation is duly approved by NRC which is in line with the SEBI Guidance Note on Board Evaluation. This process is conducted through structured questionnaires which cover various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Member's strengths and contribution, execution and performance of specific duties, obligations and governance.

The Board reviewed the performance of the individual Non-Independent Directors on the basis of criteria such as qualifications, experience, knowledge & competency, fulfilment of functions, ability to function as a team, initiative, availability and attendance, commitment (as a Director) and contribution. The performance of each individual Independent Director was reviewed, based on the additional criteria of independence and independent views & judgment. Similarly, the performance of the Chairman was evaluated based on additional criteria such as effectiveness of leadership and ability to steer the meetings, impartiality, commitment (as Chairman) and ability to keep shareholders' interests in mind.

In a separate meeting of Independent Directors, performance of non-independent directors, performance of the Chairman taking into account the views of other non-executive Directors and performance of the Board as a whole was evaluated.

Performance evaluation of the Board, its various Committees and individual Directors including Independent Directors and Chairman was found satisfactory. The Board also assessed the fulfillment of the independence criteria as specified in Listing Regulations, by the Independent Directors of the Company and their independence from the management.

Information as per Section 197(12) of the Act, read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is annexed as **Annexure 2** to this Report. Further, pursuant to section 136 (1) of the Act, the Annual Report and the accounts are being sent to the members excluding the information under rule 5(2) & 5(3) of the aforesaid rules. In terms of section 136 of the Act, the said information is available for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary of the Company either at the Registered/ Corporate Office address or by email to secretarial@sparcmail.com

ONLINE DISPUTE RESOLUTION:

Pursuant to SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/ CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023, the Company has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market.

Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and complaint may be raised on SEBI Complaints Redress System ("SCORES") which can be accessed at <https://www.scores.gov.in> and the same can also be accessed through the web link <https://sparc.life/statutory-disclosures/shareholders-corner/>

HUMAN RESOURCES

SPARC presently has a workforce of 409 dedicated individuals – 85% of which are highly qualified and experienced scientists in various fields.

The team has attracted, developed and retained some highly experienced talent ensuring the workforce is skilled and motivated. From implementing innovative initiatives around talent development and engagement to nurturing talent through comprehensive learning initiatives, the Company has invested in cultivating a culture of excellences with a high focus on performance.

The organization is committed to and looks forward to invest in people and thus leveraging strategies that drive sustainable growth and enhance our competitive edge.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, SPARC is committed to fostering a safe, respectful and a harassment-free workplace environment. SPARC strongly believes in gender neutrality and encourages hiring resources from all genders ensuring we create an environment free of any form of discrimination and harassment.

During the financial year ended March 31, 2024, there was no complaint received for sexual harassment. Also, there are no complaints pending as at the end of the financial year.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The organization conducted awareness programs aimed at promoting a culture of respect and inclusivity. We continue to remain dedicated to maintaining a zero-tolerance approach towards sexual harassment and ensuring the safety and well-being of all our employees.

AUDITORS

Statutory Auditors

The shareholders at their 17th Annual General Meeting of the Company had approved the re-appointment of S R B C & Co. LLP, Chartered Accountants, (Firm's Regn. No. 324982E/E300003), as the Statutory Auditors of the Company for a second term of five years, to hold office up to the conclusion of the 22nd Annual General Meeting of the Company.

The Auditor's Report for the financial year ended March 31, 2024, has been issued with an unmodified opinion, by the Statutory Auditors. Further, the Statutory Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Act.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed KJB & Co. LLP, Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2023-24.

The Secretarial Audit Report in the Form No. MR-3 for the financial year ended March 31, 2024 is annexed as **Annexure 3**. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer and no frauds were reported by the Auditors to the Audit Committee or the Board, in terms of section 143(12) of the Act.

The Annual Secretarial Compliance Report for the financial year 2023-24 has been obtained from the Secretarial Auditor of the Company and the said Report has been submitted to the stock exchanges within the time prescribed under the SEBI Listing Regulations.

SECRETARIAL STANDARDS

The Company has complied with all the applicable Secretarial Standards as amended from time to time issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.

LOANS, GUARANTEES & INVESTMENTS

The particulars of loans, guarantees and investments have been disclosed in the financial statements forms part of this Annual Report.

RELATED PARTY TRANSACTIONS

All contracts/arrangements entered by the Company during the year with the related parties were in the 'Ordinary Course of Business' and on an 'Arm's Length Basis' and in accordance with the provisions of the Act and rules made thereunder, the SEBI Listing Regulations and the Company's Policy on Related Party Transactions.

As required under Section 134(3)(h) of the Act, details of transactions entered with related parties under the Act exceeding ten percent of the annual turnover as per the last audited financial statements are given in Form AOC-2 provided as **Annexure 4**.

The policy on Related Party Transactions as approved by the Board is available on the website of the Company and may be accessed through the web link <https://sparc.life/statutory-disclosures/policies-and-codes/>

BOARD MEETINGS

Six Board Meetings of the Board of Directors were held during the financial year. The dates of the Board meeting and the attendance of the Directors at the said meetings are provided in the Corporate Governance Report, which forms a part of this Annual Report.

COMMITTEES OF THE BOARD

As on March 31, 2024, the Board has 7 (seven) Committees, namely, Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee, Fund Management Committee and Securities Allotment Committee. The details pertaining to the meetings and composition of the Committees of the Board are included in the Corporate Governance Report, which forms a part of this Annual Report.

During the year under review, all recommendations made by the Committees (including Audit Committee) were accepted by the Board.

RISK MANAGEMENT

The Board of Directors has developed and implemented a comprehensive Risk Management Policy, which lays down the procedure to identify, monitor and mitigate the key elements of risks that threaten the existence of the Company. Further, in compliance with the requirements of Regulation 21 of the Listing Regulations as amended from time to time, the Board of Directors of the Company has constituted a Risk Management Committee to oversee risk mitigation measures in the Company.

The details of composition of Risk Management Committee are included in the Corporate Governance Report which forms a part of this Annual Report.

The Risk Management Committee reviews, at regular intervals, the status of key risks and steps taken by the Company, to mitigate such risks.

INTERNAL FINANCIAL CONTROLS

Internal Financial Controls are an integral part of the risk management process which in turn is a part of Corporate Governance addressing financial reporting risks. The Company has in place a well-defined organizational structure and adequate internal controls for efficient operations which is cognizant of applicable laws and regulations, particularly those related to protection of intellectual properties, resources, assets, and the accurate reporting of financial transactions in the financial statements. The Company upgrades these systems on continuous basis.

CORPORATE SOCIAL RESPONSIBILITY

In compliance with the requirements of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors has constituted a Corporate Social Responsibility Committee. The details of membership of the Committee and the meeting(s) of the Committee held during the year are given in the Corporate Governance Report which forms a part of this Annual Report.

The CSR Policy of the Company as approved by the Board on the recommendation of the Corporate Social Responsibility Committee is available on the website of the Company and may be accessed through the web link <https://sparc.life/statutory-disclosures/policies-and-codes/>

Since the Company has incurred losses during the three immediately preceding financial years, the Company was not required to spend on CSR activities during the financial year ended March 31, 2024. However, in compliance with the requirements of Companies (Corporate Social Responsibility Policy) Rules, 2014, the Annual Report on 'CSR Activities' as per prescribed format, is annexed as **Annexure 5**.

PUBLIC DEPOSITS

The Company has not accepted any public deposit during the year, under the provisions of the Act and the rules framed thereunder.

CREDIT RATING

The credit rating of the securities/instruments/loans, credit facilities and other borrowings of the Company as on March 31, 2024 was as follows:

Name of the rating agency	Product	Long Term Rating
Acuite Ratings & Research Ltd	Bank Loan Ratings	ACUITE AA Stable Reaffirmed

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Regulation 34 of the SEBI Listing Regulations, the Management Discussion and Analysis Report on the operations of the Company forms an integral part of this Report and gives detail of the overall developments, performance and state of affairs of the Company's businesses, during the financial year 2023-24 and the same is given in a separate part of this Annual Report.

CORPORATE GOVERNANCE REPORT

The Company is committed in maintaining the highest standards of corporate governance and adherence to the corporate governance requirements set out by the Securities and Exchange Board of India (SEBI) and the Companies Act, 2013. The Company strives to achieve fairness for all stakeholders and to enhance long-term value to Shareholders. In compliance with Regulation 34 of the SEBI Listing Regulations, a report on Corporate Governance and the Certificate from the Statutory Auditors of the Company confirming compliance with the conditions of Corporate Governance are attached to the report on Corporate Governance which forms part of this Annual Report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The Business Responsibility and Sustainability Report of the Company for the year ended March 31, 2024, in the prescribed format as required under Regulation 34(2)(f) of the Listing Regulations, forms part of this Report and is also available on the website of the Company and may be accessed through the web link <https://sparc.life/statutory-disclosures/shareholders-meeting/>

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed as **Annexure 6**.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant or material orders passed by the Regulators or Courts or Tribunals during the year which may impact the going concern status of the Company's future operations.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

To emphasize our commitment to integrity, SPARC maintains a robust whistle blower policy or vigil mechanism. The Company is focused around creating value for all the stakeholders and ensure highest level of honesty, integrity and ethical behavior in all its operations.

The Company gives priority to this vision for all its employees through the 'SPARC Whistle Blower Policy'.

SPARC empowers employees to report suspected or actual occurrence of illegal, unethical or inappropriate events (behavior or practices) that may affect Company's working or interest / image.

During the financial year ended March 31, 2024, there was no information regarding any wrong doing which has been registered.

The Policy is available on the website of the Company and may be accessed through the web link <https://sparc.life/statutory-disclosures/policies-and-codes/>

ACKNOWLEDGEMENTS

Your Directors wish to thank all stakeholders, business partners, bankers, medical professionals and business associates for their continued support and valuable co-operation. The Directors also express their gratitude to investors for the faith that they continue to repose in the Company.

For and on behalf of the Board of Directors

Dilip S. Shanghvi
Chairman
(DIN: 00005588)

Place: Mumbai
Date: July 15, 2024

Annexure 1

FORM AOC-1

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014
Statement containing salient features of the financial statements of subsidiary company

Particular	Amount in Rs. lakhs
Name of the subsidiary	SPARCLIFE Inc.
The date since when subsidiary was incorporated	September 25, 2023
Reporting currency	USD
Closing Rate	83.41
Share Capital (50 equity share at a face value of USD 0.001 per share)	*0.00
Reserves	131.51
Total Assets	3,877.54
Total Liabilities	3,746.03
Investment (except in case of investment in subsidiaries)	-
Turnover	2,673.93
Profit before tax	127.33
Provision for Tax	38.20
Profit After Tax	89.13
Proposed Dividend	-
% of Shareholding	100%

*represents less than ₹ 1 lakh

For and on behalf of the Board of Directors

Place: Mumbai
Date: July 15, 2024

Dilip S. Shanghvi
Chairman
(DIN: 00005588)

Annexure 2

INFORMATION REQUIRED UNDER SECTION 197 OF THE ACT READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (i) Ratio of the remuneration of each director to the median remuneration of the employees and percentage increase in remuneration of each Director, CEO, CFO and CS of the Company for the financial year 2023-24:

Name	Designation	% increase/ (decrease) in remuneration ¹ in the FY 2023-24	Ratio of remuneration ¹ of each Director/ to median remuneration of employee
Mr. Dilip S. Shanghvi	Chairman & Non-Executive Director	18.18	0.25
Mr. Sudhir V. Valia	Non-Executive Director	(13.04)	0.39
Dr. T. Rajamannar	Non-Executive Director	(16.67)	0.19
Ms. Bhavna Doshi	Independent Director	4.76	0.43
Dr. Ferzaan Engineer	Independent Director	16.67	0.41
Dr. Robert Spiegel	Independent Director	16.67	0.41
Mr. Anil Raghavan, ³	Chief Executive Officer	7.50	--
Mr. Chetan Rajpara ³	Chief Financial Officer	11.65	--
Mr. Dinesh Lahoti ^{2,3@}	Company Secretary and Compliance Officer	12.20	--
Ms. Kajal Damania [#]	Company Secretary and Compliance Officer	Not Applicable	--

¹Remuneration of all the Directors consists only of sitting fees drawn by them.

²The percentage increase has been calculated on a pro-rata basis for the period they served as KMP in the previous year i.e. 2023-24.

³The percentage increase in remuneration is calculated basis the remuneration as per Section 17 of the Income Tax Act, 1961.

@Mr. Dinesh Lahoti has resigned from the position of Company Secretary and Compliance Officer w.e.f. the close of business hours of September 11, #Ms. Kajal Damania has been appointed as the Company Secretary and Compliance Officer w.e.f. close of business hours on September 22, 2023

- (ii) Percentage increase in the median remuneration of employees in the financial year (Median 2023-24/Median 2022-23): 4.08%
- (iii) Number of permanent employees on the rolls of the Company as on March 31, 2024: 409
- (iv) Average percentile increase in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
- Average percentage increase in salary of employees other than managerial personnel: 10.96%
- Average percentage increase in salary of managerial personnel: 10.45%
- (v) It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

For and on behalf of the Board of Directors

Place: Mumbai
Date: July 15, 2024

Dilip S. Shanghvi
Chairman
(DIN: 00005588)

Annexure 3

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2024.

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Sun Pharma Advanced Research Company Limited,
Vadodara, Gujarat.

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate governance practice by **Sun Pharma Advanced Research Company Limited ("the Company")**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- i. The Companies Act, 2013 ("**the Act**") and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**");

- a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **Not applicable to the Company for the year under review;**
- d. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- **Not applicable to the Company for the year under review;**
- e. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 - **Not applicable to the Company for the year under review;**
- f. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - **Not applicable to the Company for the year under review;**
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not applicable to the Company for the year under review;**
- h. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client - **Not applicable to the Company for the year under review;**
- i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable to the Company for the year under review.**

We have also examined compliance with the applicable clauses of the Secretarial Standards with respect to meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India under the provisions of the Companies Act, 2013.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above to the extent applicable.

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors, Independent Directors and Woman Director. There was no change in the composition of the Board of Directors took place during the period under review.
2. Adequate notice of at least seven days was given to all directors to schedule the Board Meetings and Meetings of Committees except in some cases where the meetings were held on shorter notice. Agenda and detailed notes on agenda were sent in advance in adequate time before the meetings and a system exists for Directors for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

3. On verification of minutes, we have not found any dissent / disagreement on any of the agenda items discussed in the Board and Committee meetings from any of the Directors and all the decisions are carried through.

Based on the information received and records maintained, we further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on the basis of the representations made by the respective plant heads, the Company has identified and complied with the various laws applicable to the Company inter-alia:

- Drugs and Cosmetics Act, 1940 and rules made thereunder;
- Environment Protection Act, 1986;
- Factories Act, 1948.

For, **KJB & CO LLP**,
Practicing Company Secretaries
Firm Unique Identification No. – L2020MH006601
Peer Review Certificate No. – 2797/2022

Alpeshkumar Panchal

Partner
FCS No.: 12908
C P No.: 20120
UDIN: F012908F000437046

Date: Jyeshtha 03, 1946 / May 24, 2024
Place: Vadodara

This report is to be read with our letter of even date which is annexed as **Annexure 1** and forms an integral part of this report.

ANNEXURE 1

To,
The Members,
Sun Pharma Advanced Research Company Limited,
Vadodara, Gujarat.

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For, **KJB & CO LLP,**
Practicing Company Secretaries
Firm Unique Identification No. - L2020MH006601
Peer Review Certificate No. - 2797/2022

Alpeshkumar Panchal
Partner
FCS No.: 12908
C P No.: 20120
UDIN: F012908F000437046

Date: Jyeshtha 03, 1946 / May 24, 2024
Place: Vadodara

Annexure 4

FORM NO. AOC. 2

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under fourth proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL
2. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any	Amount paid as advances, as on March 31, 2024, if any:
Sun Pharmaceutical Industries Ltd. (Majority stake owned and controlled by the Promoter and Promoter Group of Sun Pharma Advanced Research Company Ltd. (SPARC))	Sale of services License fees/ royalty on technology/ R&D services Purchase of goods Purchase and sale of property, plant and equipment Product development cost Rent expense (pertains to payment of lease liability) Receiving of R&D services Reimbursement of expenses received and expenses paid	On-going	The related party transactions entered during the financial year 2023-24 were in ordinary course of business and on an arm's length basis. The aggregate amount of transactions for the financial year 2023-24 was Rs. 8,246.08 lakhs.	Since these transactions were in ordinary course of business and were on arm's length basis, approval of the Board was not applicable.	Nil
Sun Pharma Laboratories Limited (Wholly owned subsidiary of Sun Pharmaceutical Industries Ltd. whose majority stake is owned and controlled by the Promoter and Promoter Group of SPARC).	Sale of services License fees/ royalty on technology/ R&D services Purchase of goods	On-going	The related party transactions entered during the financial year 2023-24 were in ordinary course of business and on an arm's length basis. The aggregate amount of transactions for the financial year 2023-24 was Rs. 2,818.35 lakhs.	Since these transactions were in ordinary course of business and were on arm's length basis, approval of the Board was not applicable.	Nil

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any	Amount paid as advances, as on March 31, 2024, if any:
Sun Pharmaceutical Industries Inc. (Wholly owned subsidiary of Sun Pharmaceutical Industries Ltd. whose majority stake is owned and controlled by the Promoter and Promoter Group of SPARC).	Sale of services License fees/ royalty on technology / R&D services Reimbursement Receiving of R&D services and purchase of goods	On-going	The related party transactions entered during the financial year 2023-24 were in ordinary course of business and on an arm's length basis. The aggregate amount of transactions for the financial year 2023-24 was Rs. 6,912.29 lakhs.	Since these transactions were in ordinary course of business and were on arm's length basis, approval of the Board was not applicable	Nil
SPARCLIFE, Inc. (Wholly-Owned Subsidiary)	Investment in subsidiary Reimbursement Receiving of R&D Services and Purchase of goods	On-going	The aggregate amount of transactions for the financial year 2023-24 was Rs. 2,758.15 lakhs.	Not Applicable	Nil

For and on behalf of the Board of Directors

 Place: Mumbai
 Date: July 15, 2024

Dilip S. Shanghvi
 Chairman
 (DIN: 00005588)

Annexure 5

Annual Report on Corporate Social Responsibility (CSR) Activities for the financial year ended March 31, 2024

1. Brief outline on CSR Policy of the Company

The CSR policy of the Company encompasses its philosophy towards Corporate Social Responsibility and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large.

The Company has identified health, education & livelihood, environment protection, water management and disaster relief as the areas where assistance may be provided as needed on a case-to-case basis.

2. Composition of CSR Committee

Sl. No.	Name of Director	Designation in the CSR Committee	Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Sudhir V. Valia	Chairman	Non-executive Non-Independent Director	1	1
2.	Mr. Dilip S Shanghvi	Member	Chairman of the Board and Non-executive Director	1	1
3.	Ms. Bhavna Doshi	Member	Independent Director	1	1

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

Details	Web-Links
Composition of CSR committee	https://sparc.life/statutory-disclosures/board-of-directors/
CSR Policy	https://sparc.life/statutory-disclosures/policies-and-codes/
CSR projects	Not Applicable

4. Executive summary along with web-links of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not Applicable

5.
 - a) Average net profit of the Company as per section 135(5) : Since the Company has incurred losses for last three years. Not Applicable
 - b) Two percent of average net profit of the company as per section 135(5) : Not Applicable
 - c) Surplus arising out of the CSR projects or programs or activities of the previous financial years : Not Applicable
 - d) Amount required to be set off for the financial year, if any : Not Applicable
 - e) Total CSR obligation for the financial year [5(b)+5(c)-5(d)] : Not Applicable
6.
 - a) Amount spent on CSR projects (both Ongoing Project and other than Ongoing Project) : Not Applicable
 - b) Amount spent in Administrative Overheads : Not Applicable
 - c) Amount spent on Impact Assessment, if applicable : Not Applicable
 - d) Total amount spent for the Financial Year [6(a)+6(b)+6(c)] : Not Applicable
 - e) CSR amount spent or unspent for the financial year :

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Not Applicable					

f) Excess amount for set off, if any:

(1)	(2)	(3)
Sl. No.	Particulars	Amount
(i)	Two percent of average net profit of the company as per section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	Not Applicable
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

7. Details of Unspent CSR amount for the preceding three financial years:

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6)	Balance amount in Unspent CSR Account under section 135(6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.		Amount remaining to be spent in succeeding financial years	Deficiency, if any
					Amount	Date of transfer		
Not Applicable								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility

Yes No

If yes, enter the number of Capital assets created/ acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

(1)	(2)	(3)	(4)	(5)	(6)		
Sl. No.	Short particulars of the property or assets (including complete address and location of the property)	Pin code of the property or assets(s)	Date of creation	Amount of CSR amount spent	Details of entity / authority / beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address

Not Applicable

9. Reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) -

Not Applicable

For and on behalf of the Board of Directors

Sudhir V. ValiaChairman - CSR Committee and Director
(DIN: 00005561)**Dilip S. Shanghvi**Member - CSR Committee and Chairman of the Board
(DIN: 00005588)Place: Mumbai
Date: July 15, 2024

Annexure 6

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

I) CONSERVATION OF ENERGY

Power and Fuel Consumption

In FY2023-24, our company implemented several energy conservation measures to optimize power and fuel consumption, leveraging the latest technology and equipment to minimize wastage. Key initiatives included installing MCCB with LSIG protection, upgrading to capacitor duty contactors, and replacing old APFC controllers with advanced 16-stage models. We automated capacitor banks, conducted thermography tests on critical panels, and upgraded MPDB panels. These actions improved our power factor, resulting in monthly electricity savings of INR 20-30K, enhanced tripping mechanisms to extend equipment lifespan and ensure operator safety, and minimized breakdowns, demonstrating our commitment to operational efficiency and sustainability.

II) TECHNOLOGY ABSORPTION

Research and Development

1. SPECIFIC AREAS IN WHICH R&D IS CARRIED OUT BY THE COMPANY (SPARC)

SPARC therapeutic focus is in the area of oncology, immunology and neuro-degenerative diseases. The treatment modalities include small molecules and biologics. The products developed are intended to be commercialized globally including India. The Company out-licenses the products to partners for commercialization activities and generates revenue from royalty on sales, upfront payments, regulatory and sales-based milestone payments.

SPARC's NCEs under late stage clinical development include Vodobatinib (SCC-138) for treatment of Parkinson's disease and Lewy Body Dementia (LBD). Vodobatinib (SCO-088) is also being evaluated in the treatment of Chronic Myeloid Leukemia (CML). SCD-153 was licensed from JHU & IOCB and is under Phase 1 clinical trial for treatment of Alopecia Areata.

The team at SPARC also built capabilities for developing biologics. SBO-154 is the most advanced biologic program under development. SBO-154 is an antibody drug conjugate targeting MUC-1 antigen on the tumor cells for treatment of multiple tumors.

2. BENEFITS DERIVED AS A RESULT OF THE ABOVE R&D

Upon successful development and commercialization of the programs under development it is expected that these programs would help address the unmet medical needs of the patients and provide them better quality of life.

3. FUTURE PLAN OF ACTION

This is covered with the description of each product in (1) above. For more information, please refer to Management Discussion & Analysis (MD&A) section.

4. EXPENDITURE ON R&D

(₹ in Lakh)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
a) Capital	3,098.70	2,686.42
b) Revenue	47,933.70	45,283.55
c) Total	51,032.40	47,969.97
d) Total R&D expenditure as % of Total Turnover	675.52	201.00

III) FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Lakh)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Earnings	64.40	13,171.98
Outgo	33,237.05	26,620.97

For and on behalf of the Board of Directors

Dilip S. Shanghvi
Chairman
(DIN: 00005588)

Place: Mumbai
Date: July 15, 2024

Corporate Governance Report

In compliance with Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), the Company submits the Corporate Governance Report for the financial year ended March 31, 2024 on the matters mentioned in the said regulations and lists the practices followed by the Company.

1. Company's Philosophy on Corporate Governance

The Company's philosophy on Corporate Governance is guided by strong emphasis on transparency, accountability, responsibility, fairness, integrity, consistent value systems and delegation across all facets of its operations leading to sharply focused and operationally efficient growth. The Company's belief on Corporate Governance is intended to support the management of the Company for competent conduct of its business and ensuring long term value for shareholders, as well as for customers, suppliers, employees and statutory authorities.

The Company is committed to implement the standards of good Corporate Governance and endeavours to preserve and nurture these core values in all its activities with an aim to increase and sustain its corporate value through growth and innovation.

The Company aims to adhere highest standards of transparency, integrity and accountability towards all its stakeholders by following governance policies. Thus meeting its obligations to all stakeholders in a balanced and accountable manner and enhancing ethical corporate behaviour and fairness to all stakeholders comprising regulators, customers, vendors, investors and the society at large.

2. Code of Conduct

The Board of Directors of the Company has laid down the Global Code of Conduct in compliance with the requirements of Regulation 17(5) of the Listing Regulations for all board members and employees of the Company including its Subsidiary Company. This Global Code of Conduct serves as a guide for our daily business interactions, reflecting our standard for appropriate behaviour and our corporate values. The Code of Conduct is designed to prevent, detect, and address any allegation of misconduct to provide guidance to personnel in recognizing and dealing with important ethical and legal issues and to foster a culture of honesty and accountability within the organization. All the directors and senior management employees have affirmed compliance with the Code of Conduct as approved and adopted by the Board of Directors and a declaration to this effect signed by the Chief Executive Officer is annexed as **Annexure I**. The Code of Conduct is available on the website of the Company and may be accessed through the web link <https://sparc.life/statutory-disclosures/policies-and-codes/>

3. Board of Directors

Your Company actively seeks to adopt best practices and has a diverse Board whose wisdom and strength can be leveraged for increasing stakeholders' protection of their interests and better corporate governance.

In line with the applicable provisions of the Companies Act, 2013 ("Act") and the SEBI Listing Regulations, your Company's Board has Non-Executive Directors and half of the Board comprising of Independent Directors. Your Board comprises qualified members who collectively bring in the skills, expertise and competencies stated below that allow them to make effective contribution to the Board and its Committees as required in context of its business and to ensure highest standards of corporate governance.

3.1 Composition and category of Directors:

The Board comprises of six Non-Executive Directors out of which three are Independent Directors including a Woman Independent Director. The Composition of the Board is in conformity with Regulation 17 of Listing Regulations read with Section 149 of the Act. The names & categories of the Directors on the Board and inter-se relationship between them are detailed below:

Name of Directors	Category	Inter-se Relationship between Directors
Mr. Dilip S. Shanghvi (Chairman) (DIN: 00005588)	Promoter and Non-Executive Director	Brother-in-law of Mr. Sudhir V. Valia
Mr. Sudhir V. Valia (DIN: 00005561)	Non- Promoter (however part of Promoter Group) and Non-Executive Director	Brother-in-law of Mr. Dilip S. Shanghvi
Dr. T. Rajamannar (DIN: 01415412)	Non-Executive Director	--
Ms. Bhavna Doshi (DIN: 00400508)	Independent Director	--
Dr. Ferzaan Engineer (DIN: 00025758)	Independent Director	--
Dr. Robert Spiegel (DIN: 08739625)	Independent Director	--

3.2 Attendance of Directors and other Directorships:

Attendance of each director at the Board meetings, previous Annual General Meeting (AGM), and number of other Directorships and Memberships/Chairmanships of Committee are given below:

Name of Directors	Number of Board meetings held during the financial year	Attendance particulars for the financial year		No. of other directorships and committee memberships / chairmanships as of March 31, 2024 ¹			Directorship in other listed companies as of March 31, 2024
		Board Meetings	18th AGM held on August 07, 2023	Other Directorships	Committee Memberships ²	Committee Chairmanships ²	
Mr. Dilip S. Shanghvi	6	6	Yes	1	1	-	Sun Pharmaceutical Industries Limited – Managing Director
Mr. Sudhir V. Valia	6	5	Yes	4	3	1	Sun Pharmaceutical Industries Limited – Non-Executive Director
Dr. T. Rajamannar	6	6	Yes	-	-	-	-
Ms. Bhavna Doshi	6	5	Yes	5	7	3	Great Eastern Shipping Company Limited - Independent Director IndusInd Bank Limited – Independent Director Nuvoco Vistas Corporation Limited -Independent Director KPIT Technologies Limited – Independent Director Everest Industries Limited – Independent Director
Dr. Ferzaan Engineer	6	6	Yes	-	-	-	-
Dr. Robert Spiegel	6	6	Yes	-	-	-	-

¹ Does not include Directorships, Committee Memberships / Chairmanships in Sun Pharma Advanced Research Company Ltd, Private Companies, Foreign Companies, high value debt listed entities and Companies incorporated under section 8 of the Act.

² For Audit and Stakeholders' Relationship Committee only.

3.3 Number of Board Meetings held:

(6) (six) Board meetings were held during the financial year ended March 31, 2024 on following dates:

(i) May 22, 2023 (ii) May 23, 2023 (iii) August 07, 2023 (iv) September 22, 2023 (v) November 06, 2023 and (vi) February 05, 2024.

The Board of Directors of the Company were provided with all the information as set out in Part A of Schedule II read with Regulation 17(7) of the Listing Regulations to the extent they were applicable and relevant. Such information was submitted either as a part of the agenda papers in advance of the respective meetings or by way of presentations or discussions during the meetings. The Board periodically reviews the compliance reports of laws applicable to the Company.

3.4 Shares/convertible instruments held by Non-Executive Directors:

Details of equity shares held by Non-Executive Directors as on March 31, 2024

Name of Directors	No. of shares held (singly or jointly as first holder)
Mr. Dilip S. Shanghvi	6,18,10,660
Mr. Sudhir V. Valia	18,33,951
Dr. T. Rajamannar	35,657
Ms. Bhavna Doshi	Nil
Dr. Ferzaan Engineer	Nil
Dr. Robert Spiegel	Nil

3.5 Familiarization Program for Independent Directors:

The Company has designed a Familiarisation Programme for its Independent Directors to provide insight into the Company to enable the Independent Directors to understand its business in depth, functionalities of the Company and to assist them in performing their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model, operations of the Company, etc as Independent Directors of the Company. They are also informed of the important policies of the Company including the Code of Conduct for Board Members and all employees and the Code of Conduct to regulate, monitor and report trading by insiders, etc.

Periodic presentations are made at the Board and Committee meetings on business, programmes, products and performance updates of the Company. Apart from the Board & Committee meetings, Strategy meets are also organized to discuss the Company's future strategy and goals, opportunities, challenges, etc.

The familiarization program and details of familiarization sessions for Independent Directors held during the financial year ended March 31, 2024 in terms of provisions of Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been disclosed on the website of the Company and can be accessed through the following weblink - <https://sparc.life/statutory-disclosures/board-of-directors/>

3.6 Independent Directors' Meeting

The provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Regulation 25(3) & (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it mandates that the Independent Directors of the Company shall hold at least 1 (One) meeting in a year, without the presence of Non-Independent Directors and members of the management.

During the year under review, the Independent Directors meeting was held on March 14, 2024, without the attendance of Non-Independent Directors and members of the Management where, -inter-alia-, performance evaluation of non-independent directors and the board as a whole was discussed.

3.7 Skills/Expertise/Competence of the Board

In compliance with Listing Regulations, the Board, on the recommendation of the Nomination and Remuneration Committee, has identified the core skills/expertise/competencies required in the context of Company's business(es) and sector(s) for it to function effectively. The particulars of such skills/ expertise competence are as follows:

Expertise in one or more of the following	Skills	Behavioral Traits
Technical Finance & Accounts Legal/ Regulatory Governance Industry Knowledge Business & Risk Management Human Resources Public Relations / Media	Strategic Thinking/Planning Skills Critical Thinking / Problem Solving Skills Analytical Skills Decision Making Skills Leadership Skills	Integrity Genuine interest Curiosity and courage Instinct Inter-personal skills / communication Active contributor

The expertise of the Board Members is given below:

Expertise	Name of the Director					
	Mr. Dilip S. Shanghvi	Mr. Sudhir V. Valia	Dr. T. Rajamannar	Ms. Bhavna Doshi	Dr. Ferzaan Engineer	Dr. Robert Spiegel
Technical	✓	⊗	✓	⊗	✓	✓
Finance & Accounts	✓	✓	⊗	✓	⊗	⊗
Legal/ Regulatory	⊗	✓	⊗	⊗	⊗	✓
Governance	✓	✓	✓	✓	✓	⊗
Industry Knowledge	✓	✓	✓	⊗	✓	✓
Business & Risk Management	✓	✓	✓	✓	✓	✓
Human Resources	✓	⊗	⊗	⊗	⊗	⊗
Public Relations / Media	✓	✓	⊗	⊗	⊗	✓
Skills	✓	✓	✓	✓	✓	✓
Behavioral Traits	✓	✓	✓	✓	✓	✓

3.8 Confirmation

The Board confirms that, in its opinion, the Independent Directors fulfill the conditions specified in the Listing Regulations as amended from time to time and they are independent from the management.

4. Audit Committee

The Audit Committee of the Board is Independent and comprises of four Directors, of whom three members including the Chairperson of the Audit Committee are Independent Directors viz. Ms. Bhavna Doshi, Dr. Ferzaan Engineer, Dr. Robert Spiegel and one member is Non-executive Director viz. Mr. Sudhir V. Valia.

There has been no change in the composition of the Committee during the year. The Audit Committee is constituted and functions in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Chief Executive Officer, Chief Financial Officer, certain executives from the finance department, Internal Auditors and Statutory Auditors also attend the Audit Committee Meetings from time to time as may be required.

Mr. Dinesh Lahoti ceased to be the Secretary of the Audit Committee effective from September 11, 2023 and Ms. Kajal Damania, the Company Secretary of the Company is the Secretary of the Audit Committee effective from September 22, 2023.

The Committee acts as a link between the management, external & internal auditors and the Board of Directors of the Company.

The terms of reference of the Audit Committee, inter alia, include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
 - Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
 - Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
 - Reviewing with the management, quarterly, half-yearly and annual financial statements and auditor's report thereon, before submission to the Board for approval.
 - Reviewing with the management, the statement of uses /application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), including the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary based on the threshold limits specified as per the SEBI Listing Regulations;
 - Reviewing and monitor the auditor's independence and performance, and effectiveness of audit process;
 - Approval of transactions with related parties and any subsequent modification of such transactions in accordance with the Act read with the rules made thereunder and the SEBI Listing Regulations;;
 - Scrutiny of inter-corporate loans and investments;
 - Reviewing the valuation of undertakings or assets of the Company, wherever necessary;
 - Evaluation of internal financial controls and risk management systems;
 - Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - Discussion with internal auditors of any significant findings, and follow up there on;
 - Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any,
 - Reviewing the functions of the Whistle Blower Mechanism/Vigil Mechanism;
 - Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
- The information mandatorily reviewed by the Committee, inter alia, include the following:
- Management discussion and analysis of financial condition and results of operations
 - Internal audit reports relating to internal control weaknesses
 - Statement of deviations in terms of Regulation 32 of the SEBI Listing Regulations
- The Committee has discussed with the Statutory Auditors and Internal Auditors about their audit methodology, audit planning and significant observations / suggestions.
- 4 (four) Audit Committee Meetings were held during the financial year ended March 31, 2024 on the following dates:
- (i) May 22, 2023 (ii) August 07, 2023 (iii) November 06, 2023 and (iv) February 05, 2024.

The composition of the Committee along with attendance at its meeting is detailed below:

Name of Director	Category of Directorship	Nature of Membership	No. of Meetings	
			Held	Attended
Ms. Bhavna Doshi	Independent Director	Chairperson	4	4
Dr. Ferzaan Engineer	Independent Director	Member	4	4
Dr. Robert Spiegel	Independent Director	Member	4	4
Mr. Sudhir Valia	Non-Executive Director	Member	4	4

5. Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("NRC") comprises three members all of whom are Independent Directors viz. Ms. Bhavna Doshi, Dr. Ferzaan Engineer and Dr. Robert Spiegel.

The Chief Executive Officer, Chief Financial Officer are the invitees to the meetings. Mr. Dinesh Lahoti was the Secretary of the NRC upto September 11, 2023 and Ms. Kajal Damania, the Company Secretary of the Company is the Secretary of the NRC effective from September 22, 2023.

The Nomination and Remuneration Committee is constituted and functions in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms of reference of the Committee, inter alia, include the following:

- Identify the candidates who are qualified to be appointed as Director, Key Managerial Personnel and Senior Management Personnel and recommend to the Board their appointment and removal.
- Devise a policy on Board Diversity.

- Formulate criteria for evaluation of Independent Directors and the Board
- Formulate criteria for evaluation of the Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- Recommendation whether to extend or continue the terms of appointment of Independent Directors on the basis of the Report of Performance evaluation of Independent Directors.
- Approval for grant of stock options, if any to Directors and employees.
- Recommendation to the board, all remuneration, in whatever form, payable to 'Senior Management'.

(6) (six) meetings of the Committee were held during the financial year ended March 31, 2024 on the following dates:

- (i) April 26, 2023 (ii) May 17, 2023 (iii) August 07, 2023 (iv) September 22, 2023 (v) November 06, 2023 and (vi) February 05, 2024.

The composition of the Committee along with attendance at its meeting is detailed below:

Name of Director	Category of Directorship	Nature of Membership	No. of Meetings	
			Held	Attended
Dr. Ferzaan Engineer	Independent Director	Chairman	6	6
Ms. Bhavna Doshi	Independent Director	Member	6	5
Dr. Robert Spiegel	Independent Director	Member	6	6

5.1 Remuneration of Directors

a. Criteria for performance evaluation of individual directors

Based on the recommendation of the Nomination and Remuneration Committee and as approved by the Board, the performance of the individual Directors is evaluated annually on the basis of criteria such as qualifications, experience, knowledge & competency, fulfilment of functions, ability to function as a team, initiative, availability and attendance, commitment (as a director), contribution.

Further, each individual independent director is reviewed, based on the additional criteria of independence and independent views & judgment. Similarly, the performance of the Chairman is evaluated based on the additional criteria such as effectiveness of leadership and ability to steer the

meetings, impartiality, commitment (as the Chairman) and ability to keep shareholders' interests in mind.

Pursuant to applicable provisions of the Act, the non-executive directors are entitled to receive the sitting fees for attending the Board and Committee meetings.

b. Remuneration Policy

The key highlights of the remuneration policy for the Directors, Key Managerial Personnel and other employees of the Company as approved by the Board of Directors on the recommendation of the Nomination and Remuneration Committee are as follows:

- i) **Guiding principles for remuneration:** The Company shall remunerate all its personnel reasonably and sufficiently as per industry benchmarks and standards. The remuneration be commensurate to retain and motivate

the human resources of the Company. The compensation package will, inter alia, take into account the experience of the personnel, the knowledge & skill required including complexity of the job, work duration and risks associated with the work and attitude of the worker like positive outlook, team work, loyalty etc.

ii) Components of remuneration: The following will be the various remuneration components which may be paid to the personnel of the Company based on the designation and class of the personnel.

- **Fixed compensation:** The fixed salaries of the Company's personnel shall be competitive and based on the individual personnel's responsibilities and performance.
- **Variable compensation:** The personnel of the Company may be paid remuneration by way of variable salaries based on their performance evaluation. Such variable salaries should be based on the performance of the individual against his short and long term performance objectives and the performance of the Company.

- **Share based payments:** The Board may, on the recommendation of the Nomination and Remuneration Committee, issue to certain class of personnel a share and share price related incentive program.
- **Non-monetary benefits:** Senior management personnel of the Company may, on a case to case basis, be awarded customary non-monetary benefits such as discounted salary advance / credit facility, rent free accommodation, company car with or without chauffeur, reimbursement of electricity and telephone bills, etc:
- **Gratuity / group insurance:** Personnel may also be awarded to group insurance and other key man insurance protection. Further as required by the law necessary gratuity shall be paid to the personnel.
- **Commission:** The directors may be paid commission, if approved by the shareholders. The shareholders may authorize the Board to declare commission to be paid to any director of the Board.

iii) Entitlement: The authority to determine the entitlement to various components as aforesaid for each class and designation of personnel shall be as follows:

Designation / Class	To be determined by
Director	Members on recommendation of Nomination and Remuneration Committee and the Board
Key Managerial Personnel	Board on recommendation of the Nomination and Remuneration Committee
Other employees	Human Resources Head

b. Details of remuneration paid / payable to all the directors for the year

All the Directors of the Company are Non-Executive Directors and are paid sitting fees of Rs. 30,000 for attending each meeting of the Board or of Committee thereof. During the year under review, apart from sitting fees and reimbursement of expenses, if any, there were no pecuniary relationship or transactions between the Non-Executive Directors and the Company.

The details of the remuneration paid/payable to the directors for the financial year 2023-24 are given below:

Directors	(Rs. In Lakhs)				
	Salary	Bonus	Perquisites/Benefits	Sitting Fees	Total
Mr. Dilip S. Shanghvi	-	-	-	3.90	3.90
Mr. Sudhir V. Valia	-	-	-	6.00	6.00
Dr. T. Rajamannar	-	-	-	3.00	3.00
Ms. Bhavna Doshi	-	-	-	6.60	6.60
Dr. Ferzaan Engineer	-	-	-	6.30	6.30
Dr. Robert Spiegel	-	-	-	6.30	6.30

Note: - The Company presently does not have a scheme for grant of stock options either to the Directors, KMPs or to the employees of the Company. There is no separate provision for payment of severance fee to Directors.

Particulars of senior management of the Company including the changes therein since the close of the previous financial year.

(i) Senior Management as on March 31, 2024

Name of the Senior Management Personnel	Designation
Anil Raghavan	Chief Executive Officer
Chetan Rajpara	Chief Financial Officer
Kajal Damania*	Company Secretary
Shanta Gupta	Chief Human Resource Officer
Dr. Nitin Dharmadhikari	Executive VP, Operational Excellence and COE & IT
Dr. Nitin Damle	Executive VP, Biologics
Dr. Shravanti Bhowmik	Vice President, Operations Management
Dr. Venkata P. Palle	Executive VP, Global Head Drug Discovery & Preclinical Development
Dr. Vikram K. Ramanathan	Senior VP, Preclinical Development
Dr. Yashoraj Zala	Senior VP, Drug Delivery System
Jaydeep Issrani	Senior General Manager, Business Development
Sonalee Athavankar	General Manager, Corporate Development

* Ms. Kajal Damania has been appointed as the Company Secretary of the Company w.e.f. September 22, 2023

(ii) Changes in Senior Management during FY 2023-24

- (a) During the year Mr. Dinesh Lahoti resigned as a Company Secretary of the Company effective September 11, 2023.
- (b) During the year, Dr. Chitturi Rao, Senior VP, Drug Discovery retired on October 31, 2023.
- (c) During the year, we lost Dr. Rajesh Ranganathan, VP - Commercial Development due to his untimely demise.

The terms of reference of the Committee, inter alia, include the following:

- Overseeing and reviewing of all matters connected with resolving the grievances of the security holders of the Company.
- Approving transfer, transmission and issue of share certificates.
- Overseeing the performance of the Registrar and Share Transfer Agent and recommend measures for overall improvement in the quality of investor services and review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Reviewing of measures taken for effective exercise of voting rights by shareholders.
- Reviewing various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- Seeking information from the Registrar and Share Transfer Agent

4 (four) meetings of the Committee were held during the financial year ended March 31, 2024 on following dates:

- (i) May 22, 2023 (ii) August 07, 2023 (iii) November 06, 2023 and (iv) February 05, 2024.

The composition of the Committee along with attendance at its meeting is detailed below:

Name of Director	Category of Directorship	Nature of Membership	No. of Meetings	
			Held	Attended
Dr. T. Rajamannar	Non-Executive Director	Chairman	4	4
Mr. Sudhir V. Valia	Non-Executive Director	Member	4	4
Dr. Ferzaan Engineer	Independent Director	Member	4	4

6.1 Shareholders' Complaints

Compliance Officer:

The Board has designated Ms. Kajal Damania as the Compliance Officer of the Company.

The number of shareholder complaint(s) received and resolved during the year under review, were as follows:

Particulars	No. of complaints
Pending at the beginning of the year	-
Received during the year	5
Resolved during the year	5
Pending at the end of the year	-

7. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee is constituted in line with the provisions of Section 135 of the Companies Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Company's Corporate Social Responsibility Committee ("CSR Committee") comprises of three Directors, of whom two Non-Executive Directors viz Mr. Dilip S. Shanghvi and Mr. Sudhir V. Valia, and one independent director viz Ms. Bhavna Doshi

Mr. Dinesh Lahoti was the Secretary of the upto September 11, 2023 and Ms. Kajal Damania, the Company Secretary of the Company is the Secretary of the Committee effective from September 22, 2023.

Ms. Kajal Damania, the Company Secretary and Compliance Officer of the Company is the Secretary of CSR.

The terms of reference of the Corporate Social Responsibility Committee, inter alia, include the following:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy (CSR Policy) which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- To monitor the CSR Policy of the Company from time to time.
- To recommend the amount of expenditure to be incurred on the activities referred above.
- To monitor amount spent on the CSR initiatives of the Company as per the CSR Policy.

1 (one) meeting of the Committee was held during the financial year ended March 31, 2024 on May 22, 2023.

The composition of the Committee along with attendance at its meeting is detailed below:

Name of Director	Category of Directorship	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. Dilip S. Shanghvi	Non-Executive Director	Chairman	1	1
Mr. Sudhir V. Valia	Non-Executive Director	Member	1	1
Ms. Bhavna Doshi	Independent Director	Member	1	1

8. Fund Management Committee

The Board of Directors of the Company has constituted a Fund Management Committee ("FMC") to oversee the deployment of funds raised by the Company through new issues/ loans & internal accrual in various research projects & to meet general corporate expenditures of the Company. As on March 31, 2024, the Committee comprises of four Directors, of whom, two non-executive directors viz. Mr. Dilip S. Shanghvi and Mr. Sudhir V. Valia and two independent directors viz. Ms. Bhavna Doshi and Dr. Robert Spiegel.

Mr. Dinesh Lahoti was the Secretary of the up to September 11, 2023 and Ms. Kajal Damania, the Company Secretary of the Company is the Secretary of the Committee effective from September 22, 2023.

4 (four) meetings of the Committee were held during the financial year ended March 31, 2024 on following dates:

(i) May 22, 2023 (ii) August 07, 2023 (iii) November 06, 2023 and (iv) February 05, 2024

The composition of the Committee along with attendance at its meeting is detailed below:

Name of Director	Category of Directorship	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. Sudhir V. Valia	Non-Executive Director	Chairman	4	4
Mr. Dilip S. Shanghvi	Non-Executive Director	Member	4	4
Ms. Bhavna Doshi	Independent Director	Member	4	4
Dr. Robert Spiegel	Independent Director	Member	4	4

9. Securities Allotment Committee

The Board of Directors of the Company has constituted a Securities Allotment Committee ("SAC") to consider and approve allotment of shares and other securities including warrants and securities convertible into shares that maybe issues by the Company from time to time. As on March 31, 2024, the Committee comprises of four Directors, of whom, three non-executive directors viz. Mr. Dilip S. Shanghvi, Mr. Sudhir V. Valia and Dr. T Rajamannar and one independent directors viz. Ms. Bhavna Doshi.

Mr. Dinesh Lahoti was the Secretary of the up to September 11, 2023 and Ms. Kajal Damania, the Company Secretary of the Company is the Secretary of the Committee effective from September 22, 2023.

The Company has not allotted any shares during the financial year ended March 31, 2024 and hence no meetings were held.

10. Risk Management Committee

The Risk Management Committee ("RMC") comprises three Directors, of whom, two non-executive directors viz. Mr. Dilip S. Shanghvi and Mr. Sudhir V. Valia and one independent director, Ms. Bhavna Doshi. Mr. Anil Raghavan, CEO of the Company is a member of the Committee. The Chief Financial Officer is invited to participate at the meetings of the RMC.

The primary responsibility of the RMC is to assist the Board in monitoring and reviewing the risk management plan, implementation of the risk management framework of the Company and defined its roles and responsibilities

in accordance with the provisions of Regulation 21 of the Listing Regulations, 2015.

Mr. Dinesh Lahoti was the Secretary of the up to September 11, 2023 and Ms. Kajal Damania, the Company Secretary of the Company is the Secretary of the Committee effective from September 22, 2023.

The terms of reference of the Risk Management Committee, inter alia, include the following:

- To formulate a detailed Risk Management Policy which shall include:
 - a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
 - c. Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

2 (two) meetings of the Committee were held during the financial year ended March 31, 2024 on following dates:

Name of Director	Category of Directorship	Nature of Membership	No. of Meetings	
			Held	Attended
Mr. Dilip S. Shanghvi	Non-Executive Director	Chairman	2	2
Mr. Sudhir V. Valia	Non-Executive Director	Member	2	2
Ms. Bhavna Doshi	Independent Director	Member	2	2
Mr. Anil Raghavan	Chief Executive Officer	Member	2	2

11. General Body Meetings

(i) General Meetings:

a) Annual General Meeting (AGM):

Year	Meeting	Location	Date	Time	Special Resolution(s) passed at the General Meeting
2020-21	16th AGM	Pursuant to circular(s) issued by the Ministry of Corporate Affairs (MCA) from time to time, the meeting was held through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") and is deemed to held at the registered office of the Company at Plot No. 5&6/1, Savli G.I.D.C. Estate, Savli - Vadodara High-way, Manjusar - 391775, Vadodara, Gujarat,	September 29, 2021	05:00 PM	<ol style="list-style-type: none"> 1. Approved appointment and remuneration of Mr. Anil Raghavan, as the Manager and Whole-time Key Managerial Personnel of the Company designated as Chief Executive Officer (CEO). 2. Approved raising of the funds through equity shares, convertible warrants, preference shares/ bonds /debentures / any other instruments whether convertible into equity or not, American Depository Receipts ("ADRs"), Global Depository Receipts ("GDRs"), Foreign Currency Convertible Bonds ("FCCBs"), etc. (Passed as an enabling special resolution)
2021-22	17th AGM	Pursuant to circular(s) issued by the Ministry of Corporate Affairs (MCA) from time to time, the meeting was held through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") and is deemed to held at the registered office of the Company at Plot No. 5&6/1, Savli G.I.D.C. Estate, Savli - Vadodara High-way, Manjusar - 391775, Vadodara, Gujarat,	September 22, 2022	05:00 PM	<ol style="list-style-type: none"> 1. Approved raising of the funds through equity shares, convertible warrants, preference shares/ bonds /debentures / any other instruments whether convertible into equity or not, American Depository Receipts ("ADRs"), Global Depository Receipts ("GDRs"), Foreign Currency Convertible Bonds ("FCCBs"), etc. (Passed as an enabling special resolution)
2022-23	18th AGM	Pursuant to circular(s) issued by the Ministry of Corporate Affairs (MCA) from time to time, the meeting was held through Video Conferencing ("VC")/ Other Audio- Visual Means ("OAVM") and is deemed to held at the registered office of the Company at Plot No. 5&6/1, Savli G.I.D.C. Estate, Savli - Vadodara High-way, Manjusar - 391775, Vadodara, Gujarat,	August 07, 2023	03:30 PM	<ol style="list-style-type: none"> 1. To approve the maximum remuneration of Mr. Anil Raghavan, Manager and Whole-time Key Managerial Personnel of the Company, designated as Chief Executive Officer (CEO), for further period of two years i.e. from May 25, 2024 to May 24, 2026. 2. To increase the limits applicable for making investments / extending loans and giving guarantees or providing securities in terms of Section 186 of the Companies Act, 2013. 3. To approve raising of funds through equity shares, convertible warrants, preference shares/ bonds / debentures /any other instruments whether convertible into equity or not, American Depository Receipts ("ADRs"), Global Depository Receipts ("GDRs"), Foreign Currency Convertible Bonds ("FCCBs"), etc. (Passed as an enabling special resolution)

b) Extra-Ordinary General Meetings (EGM):

No EGM of the members was held during the financial year 2023-24.

(ii) Postal Ballot -

The Company did not pass any resolution by Postal Ballot during the financial year 2023-24. Further, there is no immediate proposal for passing any resolution through postal ballot.

12. Wholly-owned Subsidiary Company

The Company has one unlisted Wholly-owned Subsidiary Company incorporated on September 25, 2023 at Delaware, USA i.e. SPARCLIFE Inc. in terms of Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Wholly-owned Subsidiary Company has not been declared as Material Subsidiary. The Audit Committee reviews the financial statements made by the SPARCLIFE Inc, the Subsidiary Company of the Company.

The policy for determining "Material Subsidiaries" has been uploaded on the website of the Company and can be accessed through the following weblink: <https://sparc.life/statutory-disclosures/policies-and-codes/>

13. Related Party Transactions ("RPT")

The Company enters into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013, in its ordinary course of business. All the RPTs are undertaken in compliance with the provisions set out in Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy on Related Party Transactions as approved by the Board is available on the website of the Company, <https://sparc.life/statutory-disclosures/policies-and-codes/>

The transactions with Related Parties are referred to the Audit Committee for its approval at the scheduled quarterly meetings or as may be called upon from time to time along with all the relevant and stipulated information of such transaction(s).

All contracts/ arrangements/ transactions entered by the Company during the year under review with the related parties were in the ordinary course of business and on an arm's length basis. The transactions entered into pursuant

to the omnibus and specific approvals, are reviewed periodically by the Audit Committee.

14. Prevention of Insider Trading

The Company has adopted an Insider Trading Policy to regulate, monitor and report trading by insider under the SEBI (Prohibition of Insider Trading) Regulation, 2015. This policy also includes practices and procedures for fair disclosure of unpublished price-sensitive information, initial and continual disclosure.

The Company's Code of Conduct for Prevention of Insider Trading covers all the Directors, Senior Management Personnel, persons forming part of Promoter(s)/Promoter group(s) and such other designated employees of the Company, who are expected to have access to unpublished price sensitive information relating to the Company. The Directors, their relatives, Senior Management Personnel, persons forming part of Promoter(s)/ Promoter group(s), designated employees, etc. are restricted in purchasing, selling and dealing in the shares of the Company while in possession of unpublished price sensitive information about the Company as well as during certain periods known as "Trading Window Closure Period". All the Directors, Senior Management Personnel, persons forming part of the Promoter(s)/ Promoter group(s) and other designated employees of the Company are restricted from entering into any contra trade i.e., buy or sell any number of shares during the next six months following the prior transaction.

The Company's Code of practices and procedures for fair disclosure of unpublished price sensitive information is available on the website of the Company, <https://sparc.life/statutory-disclosures/policies-and-codes/s/>

15. Utilization of Funds Raised

Pursuant to Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, there is no deviation or variation in the use of proceeds, from the objects stated in the explanatory statement to the resolution contained in the Notice dated May 12, 2021 of the extra-ordinary general meeting of the Company and /or the Private Placement Offer cum Application Letter dated June 08, 2021 for the Preferential Issue of the Company

Name of listed entity	Sun Pharma Advanced Research Company Ltd.
Mode of Fund Raising	Preferential Issue
Date of Raising Funds	June 28, 2021 till January 06, 2023
Amount Raised	1,11,203.87 Lakhs
Report filed for Quarter ended	March 31, 2024
Monitoring Agency	Not Applicable
Monitoring Agency Name, if applicable	Not Applicable
Is there a Deviation / Variation in use of funds raised	No
If yes, whether the same is pursuant to change in terms of a contract or objects, which was approved by the shareholders	Not Applicable
If Yes, Date of shareholder Approval	Not Applicable
Explanation for Deviation / Variation	Not Applicable
Comments of the Audit Committee after review	No Comments
Comments of the auditors, if any	No Comments

Objects for which funds have been raised and where there has been a deviation, in the following table

Original Object	Modified Object, if any	Original Allocation	Modified allocation, if any	Funds Utilized till March 31, 2024	Amount of Deviation/ Variation for the quarter according to applicable object	Remarks, if any
Funding Company's research and development activities and general corporate purposes and for any other purpose as may be decided and approved by the Board	Not Applicable	Rs. 1,11,203.87 Lakhs (62474082 warrants @ Rs. 178 per warrant)	Not Applicable	Rs. 955,17.74 Lakhs	Not Applicable	--

16. Fees paid to the Statutory Auditors

Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part was Rs. 30,84,800/- (Rupees Thirty Lakhs Eighty Four Thousand Eight Hundred only), for the year under review.

17. Means of Communication

a. Quarterly Financial Results: The quarterly, half-yearly and annual Financial Results are posted by the Company on its website and are also submitted to the stock exchanges in accordance with the Listing Regulations. The said Results are published in all

English Editions and in Gujarati Edition (Published in Ahmedabad) of Financial Express.

- b. Website: The Company's website i.e. <https://sparc.life/> contains a dedicated investors section where relevant shareholders' information is available. The Annual Report is available on the website in a user friendly and downloadable form. Apart from this, official news releases and media presentations to analysts are displayed on the Company's website.
- c. Corporate Filing: Announcements, quarterly results, shareholding pattern etc. are regularly filed by the Company with the stock exchanges and are available on the websites of BSE Ltd. - www.bseindia.com and the National Stock Exchange of India Ltd. - www.nseindia.com and also on the website of the Company at <https://sparc.life/>.

- d. Annual Report: Annual Report containing Audited Annual Accounts alongwith Auditor's Report, Board's Report, Business Responsibility and Sustainability Report, Corporate Governance Report, the Management Discussion and Analysis Report, , and other important information are circulated to the Members entitled thereto through permitted mode(s).
- e. Investor Presentation: The Company also makes periodic presentations to analysts and conference call with the analysts and investors, to allow them to raise their queries directly to the management. A copy of all such presentations are filed with the stock exchanges and also made available by the Company on its website, <https://sparc.life/presentations/>.

18. General Shareholder Information

18.1 Annual General Meeting:

Day, Date and Time Venue:	Monday, August 12, 2024, at 04:00 P.M. (IST) Meeting is being conducted through Video Conferencing / Other Audio Visual Means and shall deemed to be held at the registered office of the Company at Plot No. 5&6/1, Savli G.I.D.C. Estate, Savli - Vadodara Highway, Manjusar - 391775, Vadodara, Gujarat, as per the guidelines issued by the Ministry of Corporate Affairs (MCA) from time to time.
Financial Year and Calendar -	Company follows the Financial year i.e. April 01 to March 31 Financial Calendar (tentative) for considering Results for quarter ending on: <ul style="list-style-type: none"> • June 30, 2024 – First or Second week of August 2024 • September 30, 2024 – First or Second week of November 2024 • December 31, 2024 – First or Second week of February 2025 • March 31, 2025 – Second or Third week of May 2025
Dividend Payment Date Details of Book-closure Listing of Equity Shares	N.A. N.A. The equity shares of the Company are listed on: (i) BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001 (ii) National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051
Payment of Listing Fees:	Listing Fees as applicable have been paid, within the stipulated time, to the BSE Limited and the National Stock Exchange of India Limited, where the Company's Equity Shares are listed.
Stock Code: Equity Shares of Re. 1 each	
(a) Scrip Code in BSE:	532872
(b) Scrip Symbol in NSE:	SPARC
(c) ISIN for Equity Shares held in Demat:	INE232I01014

18.2 Market Price Data

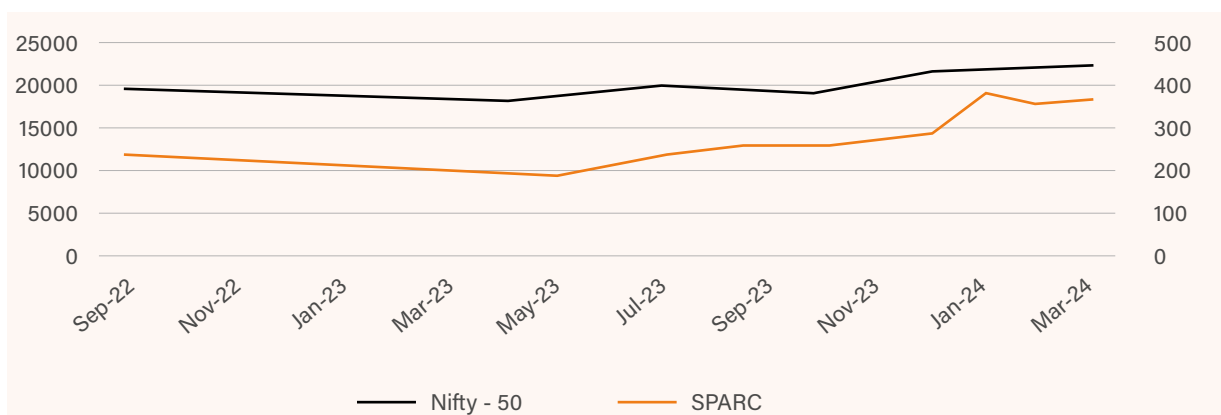
The market price data of the equity shares of the Company on BSE Limited and National Stock Exchange of India Limited for the financial year 2023-24 are as follows:

Month	BSE Ltd.		National Stock Exchange of India Ltd.	
	Month's High Price (In Rs.)	Month's Low Price (In Rs.)	Month's High Price (In Rs.)	Month's Low Price (In Rs.)
April 2023	202.45	178.00	202.50	177.90
May 2023	201.95	178.10	201.50	178.80
June 2023	213.30	186.10	213.30	186.25
July 2023	246.65	201.60	246.75	201.60
August 2023	259.45	216.45	259.65	216.35
September 2023	264.30	220.90	264.60	222.00
October 2023	246.60	213.45	246.50	213.55
November 2023	286.80	228.00	286.70	227.80
December 2023	290.70	240.50	291.00	240.60
January 2024	423.60	287.90	423.35	287.95
February 2024	390.65	326.00	387.20	325.10
March 2024	404.00	337.20	402.50	334.50

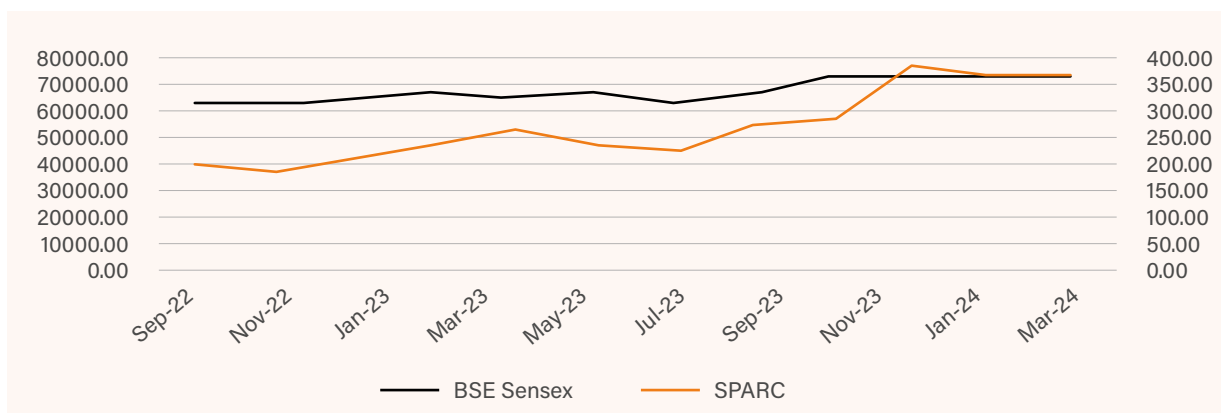
(Source: BSE and NSE websites)

18.3 Share Price Performance in comparison to broad-based indices - NSE Nifty and BSE Sensex

(a) SPARC Share Price Performance in comparison to NSE Nifty - 50



(b) SPARC Share Price Performance in comparison to BSE Sensex



18.4 Registrars & Transfer Agent

Link Intime India Pvt. Ltd.,

C 101, 247 Park,
L.B.S Marg, Vikhroli West,
Mumbai 400 083

E-Mail: rnt.helpdesk@linkintime.co.in

Tel No: +91 22 49186000 Fax: +91 22 49186060

18.5 Share Transfer System

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form. Pursuant to SEBI Circular dated January 25, 2022, the listed companies shall issue the securities in dematerialized form only, for processing any service requests from shareholders viz., issue of duplicate share certificates, endorsement, transmission, transposition, etc. After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerializing those shares. If the shareholders fail to submit the dematerialisation request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat account on submission of necessary documentation.

18.6 Distribution of Shareholding as on March 31, 2024

Equity Shares held	No. of Folios	% to total	No. of Shares	% to total
Upto 100	74033	70.59	2440924	0.75
101- 250	13171	12.55	2316445	0.71
251 - 500	7306	6.96	2807323	0.86
501 - 1000	4578	4.36	3493452	1.07
1001 - 2000	3249	3.09	4590209	1.41
2001 - 3000	847	0.80	2152507	0.66
3001 - 4000	339	0.32	1214129	0.37
4001 - 5000	282	0.26	1334273	0.41
5001 - 10000	462	0.44	3334047	1.02
10001 - 20000	227	0.21	3228396	0.99
20001 - 30000	96	0.09	2398613	0.73
30001 - 40000	44	0.04	1553117	0.47
40001 - 50000	28	0.02	1283241	0.39
50001 - 100000	59	0.05	4459828	1.374
100001 and above	147	0.14	287915084	88.71
Total	104868	100.00	324521588	100.00

18.7 Shareholding Pattern of the Company as on March 31, 2024

Particulars	No. of Shares	Percentage
Promoter & Promoter Group	213115095	65.67
Mutual Funds	816433	0.25
Alternate Investment Funds	1364460	0.42
Financial Institutions/ Banks	650	0.00
Insurance Companies	1340	0.00
Foreign Portfolio Investors	10495919	3.23
Foreign Institutional Investors	1200	0.00
NBFC	469522	0.14
State Government / Governor	668	0.00
Directors and their relatives (excluding Independent Directors and nominee Directors)	797740	0.25
Key Managerial Personnel	10285	0.00

Particulars	No. of Shares	Percentage
Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust'	11297006	3.48
Bodies Corporate	27468372	8.46
Individuals (holding nominal share capital upto Rs. 2 lakh)	30404714	9.37
Individual (holding nominal share capital in excess of Rs. 2 lakh)	21875580	6.74
Non Resident Indians	2460489	0.76
Other	3942115	1.21
Total	324521588	100.00

18.8 Dematerialization of Shares

Out of the total 32,45,21,588 equity shares, 32,39,31,831 equity shares of the Company representing about 99.82% shares of the Company were held in dematerialized mode as on March 31, 2024.

18.9 Commodity Price Risk/ Foreign Exchange Risk and Hedging Activities

The Company being in the business of Research & Development does not face any significant Commodity Price Risk. During the year, the Company had managed the foreign exchange risk to the extent considered adequate. The details of foreign currency exposures, that have not been hedged by a derivative instrument or otherwise, are disclosed in the Financial Statements. The disclosures in terms of SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/000000141 dated November 15, 2018 is not applicable to the Company.

18.10 R&D Centres

- Plot No. 5 & 6/1, Savli G.I.D.C. Estate, Savli Vadodara Highway, Manjusar, 391 775, Gujarat.
- 17/B, Mahal Industrial Estate, Off Mahakali Caves Road, Andheri (East), Mumbai - 400 093, Maharashtra.
- F.P. 27 Part Survey No. 27, C.S. No. 1050, T.P.S. No.24, Tandajja, Vadodara - 390 012, Gujarat.
- 907/4, GIDC, Makarpura, Vadodara - 390 010, Gujarat.

18.11 Investor Correspondence

(a) Registrar and Transfer Agent

Link Intime India Private Limited

Unit: Sun Pharma Advanced Research Company Ltd.

C 101, 247 Park,

L B S Marg, Vikhroli West, Mumbai 400 083

E-Mail: rnt.helpdesk@linkintime.co.in

Tel: +91 22 49186000,

Fax: +91 22 49186060

(b) For query on Annual Report

Mr. Jaydeep Issrani

Sun Pharma Advanced Research Company Ltd.

17/B, Mahal Industrial Estate,

Off. Mahakali Caves Road,

Andheri (East), Mumbai - 400 093.

E-Mail: jaydeep.issrani@sparcmail.com

(c) For any other query or grievances (including escalation of any query/ grievances not resolved through above means)

Secretarial Department

Sun Pharma Advanced Research Company Ltd.

17/B, Mahal Industrial Estate,

Off. Mahakali Caves Road, Andheri (East), Mumbai - 400 093.

E-mail id designated by the Company for Investor Complaints: secretarial@sparcmail.com

Nodal Officer for the query on IEPF:

Ms. Kajal Damania - Company Secretary and Compliance Officer of the Company

18.12 Credit Ratings

Rating Agency	Facilities	Rating
Acuite Ratings & Research Ltd.	Long term facilities	ACUITE AA/ Stable

19. Disclosures

- No transaction of a material nature has been entered into by the Company with the related parties that may have a potential conflict with the interests of the Company at large. The transactions with the related parties are disclosed in the Financial Statements.
- There were no instances of non-compliance by the Company on any matters related to the capital markets or penalties/ strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority during the last three financial years.

- The Company has laid down procedures to inform Board members about the risk assessment and its minimization, which is periodically reviewed to ensure that risk control is exercised by the management effectively.
- The Company has devised a Whistle Blower Policy and has established the necessary vigil mechanism to monitor the actions taken on complaints received under the said policy. The Policy also outlines the reporting procedure and investigation mechanism to be followed in case an employee blows the whistle for any wrongdoing in the Company. Employees can report suspected or actual occurrence of illegal, unethical or inappropriate events easily and free of any fear. A copy of the Company's Whistle Blower Policy is available on the website of the Company and may be accessed at <https://sparc.life/statutory-disclosures/policies-and-codes/>. No personnel have been denied access to the Audit Committee.
- The Company has complied with all the mandatory requirements specified under the SEBI Listing Regulations. Further the Company has adopted the following discretionary requirements:
 - (i) The Company maintains separate positions for Chairperson and Chief Executive Officer. Mr. Dilip S. Shanghvi, Non-Executive Director is the Chairman and Mr. Anil Raghavan is the Chief Executive Officer of the Company. Further, they both are not related to each other.
 - (ii) The Statutory Auditors have issued an unmodified opinion to the financial statements of the Company.
 - (iii) Aneja Assurance Private Limited are the Internal Auditors of the Company. Internal Auditors make quarterly presentations to the Audit Committee on their reports.
- The policy of the Company on dealing with Related Party Transactions is available on the website of the Company and can be accessed through the web link: <https://sparc.life/policies-and-codes>
- The Company being in the business of Research & Development does not face any significant commodity price risk.
- A certificate issued by M/s. Veenit Pal & Associates Practicing Company Secretary, certifying that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India ("SEBI")/ Ministry of Corporate Affairs or any such statutory authority has been attached as – **Annexure II** to this Report.
- During the year, the Board accepted all recommendations made to it by its duly constituted Committees.
- Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for FY 2023-24 are as follows:

Number of complaints received during the financial year 2023-24	Number of complaints disposed off during the financial year 2023-24	Number of complaints pending as on 31st March 2024
Nil	Nil	Nil

- The Company has not given any loans and advances in the nature of loans to firms / companies in which directors of the Company are interested.
- The Company has complied with all the requirements of Corporate Governance Report as prescribed under Part C of Schedule V of the SEBI Listing Regulations.
- The Company has complied with all the Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations.
- Declaration as required under Clause IV of Part II of Schedule V to the Companies Act, 2013 in respect of Mr. Anil Raghavan is given below:

For and on behalf of the Board of Directors

Dilip S. Shanghvi
Chairman
(DIN: 00005588)

Place: Mumbai
Date: May 24, 2024

Annexure – I to Corporate Governance

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT FOR THE YEAR ENDED MARCH 31, 2024

I, Anil Raghavan, Chief Executive Officer of Sun Pharma Advanced Research Company Limited ("the Company") hereby declare that, to the best of my information, all the Board Members and senior management personnel of the Company have affirmed their compliance and undertaken to continue to comply with the Global Code of Conduct laid down by the Board of Directors of the Company.

For Sun Pharma Advanced Research Company Limited

Place: Mumbai
Date: May 24, 2024

Anil Raghavan
Chief Executive Officer

Annexure – II to Corporate Governance

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015)

To,
The Members,
SUN PHARMA ADVANCED RESEARCH COMPANY LIMITED,
Plot No. 5 &6/1, Savli G.I.D.C Estate,
Savli-Vadodara Highway, Manjusar, Vadodara,
Gujarat-391775
CIN:- L73100GJ2006PLC047837

I have examined the relevant registers, records, forms, return and disclosures received from the Directors of **SUN PHARMA ADVANCED RESEARCH COMPANY LIMITED** having **CIN L73100GJ2006PLC047837** and having registered office at Plot No. 5 &6/1, Savli G.I.D.C Estate, Savli-Vadodara Highway, Manjusar, Vadodara, Gujarat-391775 (hereinafter referred to as 'the company'), produced before me by the company for the purpose of issuing this certificate, in accordance with Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

In my opinion and to the best of my information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanation furnished to me by the Company and its officer, I hereby certify that none of the Directors on the Board of Directors of the Company as stated below for the financial year ended on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Sudhir Varundavandas Valia	00005561	01.03.2006
2	Dilip Shantilal Shanghvi	00005588	01.03.2006
3	Ferzaan Nariman Engineer	00025758	05.05.2017
4	Bhavna Gautam Doshi	00400508	31.10.2014
5	Rajamannar Thennati	01415412	04.06.2007
6	Robert Jay Spiegel	08739625	01.06.2020

Ensuring the eligibility for the appointment/continuity of every director on the board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Veenit Pal & Associates
Company Secretaries

Veenit Pal
(Proprietor)

M. No : 25565

COP No. : 13149

P. R. No. 1433/2021

UDIN : A025565F000315316

Place : Mumbai
Date : May 06, 2024

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Members of Sun Pharma Advanced Research Company Limited

1. The Corporate Governance Report prepared by Sun Pharma Advanced Research Company Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub - regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2024 as required by the Company for annual submission to the Stock exchange.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations referred to in paragraph 1 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include :
 - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained and read the Register of Directors as on March 31, 2024 and verified that at least one independent woman director was on the Board of Directors throughout the year;
 - iv. Obtained and read the minutes of the following committee meetings / other meetings held from April 01, 2023 to March 31, 2024 :
 - (a) Board of Directors;
 - (b) Audit Committee;
 - (c) Annual General Meeting (AGM);
 - (d) Nomination and Remuneration Committee;
 - (e) Stakeholders Relationship Committee;

- (f) Risk Management Committee
 - (g) Corporate Social Responsibility Committee;
 - (h) Fund Management Committee
- v. Obtained necessary declarations from the directors of the Company.
 - vi. Obtained and read the policy adopted by the Company for related party transactions.
 - vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.
 - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2024, referred to in paragraph 4 above.

Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S R B C & CO LLP**
 Chartered Accountants
 ICAI Firm Registration Number: 324982E/E300003

per **Amit Singh**
 Partner
 Membership Number: 408869
 UDIN: 24408869BKBTQL2056
 Place of Signature: Pune
 Date: May 24, 2024

Business Responsibility and Sustainability Report

Section A: General Disclosures

I. Details of the listed entity:

1. Corporate Identity Number (CIN) of the Listed Entity	L73100GJ2006PLC047837
2. Name of the Listed Entity	Sun Pharma Advanced Research Company Limited (SPARC)
3. Year of incorporation	2006
4. Registered office address	Plot No. 5&6/1, Savli G.I.D.C. Estate, Savli – Vadodara Highway, Manjusar - 391775, Vadodara, Gujarat, India
5. Corporate address	17/B, Mahal Industrial Estate, Off Mahakali Caves Road, Andheri (East), Mumbai - 400 093, Maharashtra
6. E-mail	secretarial@sparcmail.com
7. Telephone	+91 22 6645 5645
8. Website	https://sparc.life
9. Financial year for Reporting	2023-24
10. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Kajal Damania (Company Secretary) Email – secretarial@sparcmail.com Tel. No. +91 22 6645 5645
11. Reporting boundary	Consolidated Basis
12. Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
13. Paid-up Capital in Rs	32,45,21,588

II. Products/services:

14. Details of business activities (accounting for 90% of the turnover):

Sr. no.	Description of the main activity	Description of business activity	% Of turnover of the entity
1	Professional, Scientific and Technical	Scientific Research and Development	100

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. no.	Product/Service	NIC Code	% Of total Turnover contributed
1	Scientific Research and Development	72100	100%

III. Operations:

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	4*	0	4
International	0	1	1

* R&D facilities includes office areas

17. Markets served by the entity
a. Number of Locations

Locations	Number
National (No. of States)	3
International (No. of Countries)	2

b. What is the contribution of exports as a percentage of the total turnover of the entity?

1%

c. A brief on types of customers

Business to Business

IV. Employees:
18. Details as at the end of Financial Year
a. Employees and workers (including differently abled)

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employee						
1	Permanent (D)	409	271	66	138	34
2	Other than Permanent (E)	194	185	95	9	5
3	Total employees (D + E)	603	456	76	147	24
Worker						
4	Permanent (F)	-	-	-	-	-
5	Other than Permanent (G)	-	-	-	-	-
6	Total workers (F + G)	-	-	-	-	-

b. Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Differently Abled Employees						
1	Permanent (D)	-	-	-	-	-
2	Other than Permanent (E)	-	-	-	-	-
3	Total employees (D + E)	-	-	-	-	-
Differently Abled Workers						
4	Permanent (F)	-	-	-	-	-
5	Other than Permanent (G)	-	-	-	-	-
6	Total workers (F + G)	-	-	-	-	-

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	6	1	17
Key Management Personnel	3	1	33

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	13%	24%	16%	13%	24%	16%	20%	15%	19%
Permanent Workers	-	-	-	-	-	-	-	-	-

V. Holding, Subsidiary and Associate Companies (including Joint Ventures)**21. Names of holding / subsidiary / associate companies / joint ventures as on 31st March, 2024**

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% Of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	SPARCLIFE Inc.	Subsidiary	100	Yes

VI. Corporate Social Responsibility (CSR) Details

- 22.** (i) Whether CSR is applicable as per section 135 of Companies Act, 2013 **Yes ***
- (ii) Turnover (in Rs.) **75,54,52,814**
- (iii) Net worth (in Rs.) **1,25,75,48,794**

* In compliance with the requirements of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors has constituted a Corporate Social Responsibility Committee. Since the Company has incurred losses during the three immediately preceding financial years, the Company was not required to spend on CSR activities during the financial year ended March 31, 2024

VII. Transparency and Disclosures Compliances**23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Not applicable	-	-	-	-	-	-
Shareholders	Yes ¹	5	0	-	5	0	-
Investors (Other than shareholders)	Yes ²	-	-	-	-	-	-
Employees and workers	Yes	0	0	-	0	0	-
Customers	Not applicable	-	-	-	-	-	-
Value chain partners	Yes ³	0	0	-	0	0	-

¹ The Company has a grievance redressal mechanism for shareholders. The Company has appointed Link Intime India Private Limited as the Share Transfer Registrars/ Agents. The Link Intime India Private Limited takes care of shareholders' enquiries/queries, requests and complaints. The Share Transfer Registrars/ Agents respond to enquiries/ queries, requests and complaints within the framework specified/ defined by SEBI. There is a dedicated email id to receive the grievances from shareholders- secretarial@sparcmail.com

² The Company has a common redressal mechanism for shareholders and investors, which has been captured in the row "Shareholders"

³ The grievance redressal mechanism for value chain partners is through email id, shared service helpdesk and Whistleblower mechanism.

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications:

Sr. no.	Material issues identified	Indicate whether risk or opportunity	Rationale for identifying risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (indicate positive or negative implications)
1	Data Integrity & Security	Risk and Opportunity	<p>Risk: Risk linked to technology directly impact the security and integrity of the system across the business operation.</p> <p>Opportunity: A strong governance on the data integrity, technology, digitalization and innovation parameters of the Company enables the creation of a secure and impenetrable network while supporting pace and scale of the business.</p>	Strengthened perimeter security, IT and monitoring systems, anti-virus and patch management while conducting trainings on cyber security to reduce risks arising from cyber security and data breaches.	<p>Positive: Strong alignment of secure data integrity principles with the help of innovative technology and digitalisation initiatives within the Company's business operations will ensure compliance of data security, privacy and prevent any loss of data.</p> <p>Negative: Lack of a strong data integrity and security mechanism may lead to increase in number of data breaches and loss of valuable data.</p>
2	Increasing probability of disruptive climate change events	Risk	<p>Risk: Risk of events occurring that may interrupt business operations or impair the ability of the Company to recover and maintain business operations in the event of disruptive climate change events.</p>	Robust business continuity planning	<p>Negative: Disruptive climate change events have the capability to interrupt business operations which can cause delays/ disruptions in research activities thus impacting potential revenues</p>
3	Attracting and retaining talent	Risk and Opportunity	<p>Risk: Talent management parameters such as acquisition, retention and development are intrinsically linked to workforce welfare. Inability to meet with the workforce expectations may impact the Company's retention rate and affect the Company's business continuity due to the criticality of workforce as a part of the business growth plan.</p> <p>Opportunity: Company's efforts towards workforce welfare and development directly conveys its resolute commitment towards the upliftment of the most integral asset.</p>	<ol style="list-style-type: none"> 1. Attracting and retaining talent through talent development programs along with compensation and other benefits to employees. 2. Formal succession planning programme for all leadership positions. 	<p>Positive: A strong workforce with high retention rate highlights the Company's efforts towards creating a conducive work environment in addition to creating a positive approach towards workforce development</p> <p>Negative: Workforce being an integral component of the Company's value creation strategy play a critical role in the business growth plan. Inability to meet the workforce expectations may result in adverse impacts on the workforce productivity and the company's growth plan in a long run.</p>

Section B: Management and Process Disclosures

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive towards all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect, and make efforts to restore the environment
P7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes									
1 a Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
1 b Has the policy been approved by the Board? (Yes/No)	Yes, the Company has developed comprehensive policies covering these principles, some of the Policies have been approved by the Board as per relevant statutory requirements.								
1 c Web Link of the Policies, if available	https://sparc.life/policies-and-codes								
2 Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3 Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4 Name of the national and international codes/ certifications/ labels/ standards adopted by your entity and mapped to each principle.	P2 <ul style="list-style-type: none"> Certificate of Good Laboratory Practice (GLP) compliance by the National GLP Compliance Monitoring Authority, Government of India Integrated Addendum to ICH E6(R1): Guideline for Good Clinical Practice E6(R2), version dated 9 November 2016 ICH E3: Structure and Content of Clinical Study Reports, dated 30 November 1995 FDA 21 CFR Part 11: Electronic Records, Electronic Signatures New Drugs and Clinical Trial Rules, Mar 2019, India 								
5 Specific commitments, goals and targets set by the entity with defined timelines, if any.	To reduce water consumption by 10% by FY2028, considering baseline of FY2023								
6 Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	The Company is on track to achieving the goal specified by FY2028								
Governance, Leadership, and Oversight									
7 Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements	"Sun Pharma Advanced Research Company (SPARC) is a clinical stage bio-pharmaceutical company focused on continuously improving standards of care for patients globally, through innovation in therapeutics and delivery. Our accountability to patients we seek to serve and investors who enable us and our commitment to sustainable human progress are key components of our identity – A responsible innovator inspired by life's amazing ability to learn, evolve and survive.								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8 Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	<p>SPARC is committed to building a sustainable business and embedding ESG parameters into the business growth model. Our ESG related challenges, targets and achievements are mentioned at various parts within this report."</p> <p>Sudhir V. Valia Non-Executive Director Name: Anil Raghavan Designation: Chief Executive Officer</p>								
9 Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	<p>Yes, Sudhir V. Valia, Non-Executive Director. Further, Mr. Anil Raghavan, Chief Executive Officer of the Company oversees the Business Responsibility and Sustainability initiatives of the Company.</p>								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Performance against above policies and follow up action	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Annual							
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Annual								

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	<p>No. The Company internally reviews the working of the above-mentioned policies.</p>								

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	<p>Not Applicable</p>								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

Section C: Principle wise Performance Disclosure



Ethics and Integrity

Principle 1:

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. Percentage coverage by training and awareness programs on any of the principles during the financial year 2023-24:

Segment	Total number of training and awareness programs held	Topics/ principles covered under the training and its impacts	Percentage of persons in respective category covered by the awareness programs
Board of Directors	5	1,2,3,4,5,6,7,8,9	100%
Key Managerial Personnel	5	1,2,3,4,5,6,7,8,9	100%
Employees other than Board of Directors and KMPs	4	1,2,3,4,5,6,7,8,9	100%
Workers	NA	NA	NA

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year 2023-24

	Monetary				
	NGRBC Principle	Name of the Regulatory/ Enforcement agencies/ Judicial institution	Amount (In INR)	Brief of the Case	Has an appeal been preferred?(Yes / No)
Penalty/ Fine	-	-	-	-	-
Settlement	-	-	-	-	-
Compounding Fee	-	-	-	-	-

	Non-Monetary			
	NGRBC Principle	Name of the Regulatory/ Enforcement agencies/ Judicial institution	Brief of the Case	Has an appeal been preferred?(Yes / No)
Imprisonment	-	-	-	-
Punishment	-	-	-	-

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not applicable	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a weblink to the policy.

Yes, the Anti-bribery policy in the Company's Global Code of Conduct outlines the Company's commitment to conduct business with integrity. The Company abides by all the applicable anti-bribery laws including US Foreign Corrupt Practices Act (FCPA). The Anti-bribery policy as part of the Global Code of Conduct is applicable to all the employees (whether permanent, temporary or on contract, direct or through contractor, retainer or full-time consultant), and members of the Board of Directors of the Company ("Personnel"). The Company expects its business partners, including suppliers, service providers, agents, channel partners (dealers, distributors and others) to adhere to the principles of the code.

Weblink: <https://sparc.life/policies-and-codes>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2023-24	FY 2022-23
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

6. Details of complaints with regard to conflict of interest:

	FY 2023-24		FY 2022-23	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the directors	-	NA	-	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	-	NA	-	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institution on cases of corruption and conflicts of interest.

Not Applicable

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured):

	FY 2023-24	FY 2022-23
Number of days of accounts payables	410	234

* Accounts Payable considered is the average for the corresponding year

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along with loans and advances & investments, with related parties:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0%	0%
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0%	0%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	0%	0%
	b. Number of dealers / distributors to whom sales are made	0	0
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	0%	0%
Share of RPTs In	a. Purchases (Purchases with related parties / Total Purchases)	13%	22%
	b. Sales (Sales to related parties / Total Sales)	100%	97%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0%	0%
	d. Investments (Investments in related parties / Total Investments made) *	100%	0%

* In FY 2023-24, SPARC incorporated a whole owned subsidiary

Leadership Indicators

- Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.**

Yes, the Company's Global Code of Conduct expects all its Personnel (which includes members of the Board) to refrain from engaging in any activity or having a personal interest that presents a conflict of interest. Further, the Company outlines that Personnel of the Company shall not exploit any information discovered through their position in the Company, for their own personal gain.



Sustainable Business

Principle 2:

Businesses should provide goods and services in a manner that is sustainable and safe

Essential indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D	0%	0%	NA
Capex	0%	0%	NA

- Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes. The Company endeavours to implement responsible procurement practices. As a measure of enhancing its impact on the environment and society, the Company encourages local sourcing enabling the reduction in costs, currency risks and environmental footprint of the transportation services

- If yes, what percentage of inputs were sourced sustainably?**

100% of inputs sourced from critical suppliers is sourced sustainably

- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Not applicable as the company does not manufacture any products

- Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No).**

- If yes whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?
- If not provide steps taken to address the same.
No

Leadership Indicators

- Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

The Company does not reuse any input material considering the nature of services

- Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed:**

Not applicable

- Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Not applicable


Employee Wellbeing
Principle 3:

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% Of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent											
Male	271	271	100	271	100	NA	NA	271	100	271	100
Female	138	138	100	138	100	138	100	NA	NA	138	100
Total	409	409	100	409	100	138	100	271	100	409	100
Other Than Permanent											
Male	185	175	95	175	95	NA	NA	175	95	0	0
Female	9	5	56	5	56	5	56	NA	NA	0	0
Total	194	180	93	180	93	5	3	175	90	0	0

b. Details of measures for the well-being of workers:

Category	Total (A)	% Of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-
Other Than Permanent											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent)

	FY 2023-24	FY 2022-23
Cost incurred on wellbeing measures as a % of total revenue of the company	5%	2%

2. Details of retirement benefits for FY 2023-24 and FY 2022-23

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	-	Y	100	-	Y
Gratuity	100	-	Y	100	-	Y
ESI	0	-	NA	0.48	-	Y

Accessibility of workplaces

3. Are the premises/ offices of the entity accessible to differently abled employees and workers as per the requirements of the Rights of Persons with Disabilities Act 2016? (Yes/ No)

Yes, As per the requirements of the Rights of Persons with Disabilities, the Company's offices have ramps, elevators and infrastructure for differently abled individuals.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? (Yes/ No)

Yes

If so, provide a web link to the policy.

NA

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate (%)	Retention rate (%)	Return to work rate (%)	Retention rate (%)
Male	100	100	-	-
Female	100	100	-	-
Total	100	100	-	-

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Employees	Yes. The Company has online platform, email and other informal channels of communication for grievance redressal
Other than Permanent employees	No
Permanent workers	Not Applicable
Other than Permanent workers	

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2023-24			FY 2022-23		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	409	-	0	407	-	0
Male	271	-	0	281	-	0
Female	138	-	0	126	-	0
Total Permanent Workers	-	-	-	-	-	-
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-

8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health Safety		On Skill Upgradation		Total (A)	On Health Safety		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	271	271	100	271	100	281	281	100	281	100
Female	138	138	100	138	100	126	126	100	126	100
Total	409	409	100	409	100	407	407	100	407	100
Workers										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	%(B/A)	Total (C)	No. (D)	%(D/C)
Employees						
Male	271	271	100	281	281	100
Female	138	138	100	126	126	100
Total	409	409	100	407	407	100
Workers						
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
Total	-	-	-	-	-	-

10. Health and Safety Management System:

a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?	Yes 100%
b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	The Company conducts EHS training by internal & external trainers and audits for the implementation of best safety practices
c) Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)	Yes
d) Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	Yes

11. Details of safety related incidents:

Safety Incident/Number	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
Number of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company undertakes periodic internal audits to assess the safety practices as per relevant regulations. The safety incidents and hazards are analyzed to determine the root cause, subsequently corrective action plans are laid out to prevent the occurrence of similar incidents in the future. As part of the EHS management system, the company provides safety trainings and safety drill practices to all employees.

13. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	-	-	-	-	-	-
Health & Safety	-	-	-	-	-	-

14. Assessments for the year:

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

15. Provide details of any corrective action taken or underway to address safety related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

No safety incident occurred

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of employees: (Y/N)?

Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company requires its value chain partners to abide by the principles of the Company's Supplier Code of Conduct and implement responsible business conduct principles in its operating practices

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable Employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	0	0	NA	NA
Workers	-	-	-	-

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, the Company periodically conducts skill-upgradation training programs for all its employees.



Stakeholder inclusiveness

Principle 4:

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The stakeholder groups are identified as part of the stakeholder engagement mechanism, built on the principles of inclusivity, accountability, and responsibility. The Company identifies key stakeholder groups based on those groups who are impacted as well those who have a major influence on the business decisions.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investor	No	<ul style="list-style-type: none"> Annual/ quarterly reports and earning calls Issuing specific event based press releases Investor presentations 	Quarterly/ Need Based	Investors form an integral part of the stakeholder group, influencing the decisions of the Company. The key areas of interest for the investors are: <ul style="list-style-type: none"> Corporate governance Regulatory compliance Overall Company performance

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
Regulator	No	<ul style="list-style-type: none"> In person meetings E-mail 	Need-based	Transparent communication with the regulators is critical from a compliance perspective
Vendor	No	<ul style="list-style-type: none"> Vendor meets Virtual modes such as telephone, email, etc. 	Ongoing	Responsible supply chain practices are critically important for ensuring the business continuity in a sustainable manner. The key areas of interest for the suppliers are: <ul style="list-style-type: none"> Timely payments Collaboration
Customer	No	<ul style="list-style-type: none"> In-person meetings E-mail 	Ongoing	Customers form a vital part of the Company's stakeholder engagement group to ensure quality services
Employee	No	<ul style="list-style-type: none"> Employee focused web-portal E-mail Employee engagement surveys Town-halls 	Ongoing	Employee wellbeing and satisfaction is an integral part of the Company's growth model. Employee engagement through various means of communication provides an insight into the key action areas for employee wellbeing and growth. The key areas of interest for employees are: <ul style="list-style-type: none"> Training, professional growth & development Well-being initiatives Employee recognition Fair remuneration Work-life balance

Leadership Indicators

- 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

The identified material issues were presented to the Board for their feedback and guidance on the sustainable growth model of the Company

- 2. Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes. The identified issues are mapped with relevant risks as part of the risk management process. The Company subsequently develops mitigation plans for the identified issues

- 3. Provide details of instances of engagement with and actions taken to address the concerns of vulnerable/marginalized stakeholder groups.**

Not Applicable

Human Rights
Principle 5:
Businesses should respect and promote human rights
Essential Indicators
1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. employees/ workers covered (B)	% (B/A)	Total (C)	No. employees/ workers covered (D)	% (D/C)
Employees						
Permanent	409	409	100	407	407	100
Other than permanent	194	194	100	172	172	100
Total Employees	603	603	100	579	579	100
Workers						
Permanent	-	-	-	-	-	-
Other than permanent	-	-	-	-	-	-
Total Workers	-	-	-	-	-	-

2. Details of minimum wages paid to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wages		More than Minimum Wages		Total (A)	Equal to Minimum Wages		More than Minimum Wages	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	409	0	0	409	100	407	0	0	407	100
Male	271	0	0	271	100	281	0	0	281	100
Female	138	0	0	138	100	126	0	0	126	100
Other than permanent	194	159	82	35	18	172	158	92	14	8
Male	185	154	83	31	17	167	157	94	10	6
Female	9	5	56	4	44	5	1	20	4	80
Workers										
Permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Other than permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-

3. Details of remuneration/salary/wages:
a. Median remuneration / wages:

Gender	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD) *	5	Not applicable *	1	Not applicable *
Key Managerial Personnel (KMP)	2	7,04,15,934 #	1	39,10,000#
Employees other than BoD and KMP	269	20,54,532	137	11,28,924
Workers	-	-	-	-

* Directors are only paid sitting fees of Rs. 30,000 per meeting attended

as per Form 16

b. Gross wages paid to females as % of total wages paid by the entity:

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	25%	23%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Head of Human Resource department of the Company is responsible for addressing human rights impact or issues

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company 'Ask HR' / 'RAY' platform, email and other informal channels of communication form part of the internal mechanism for grievance redressal of human rights issues. The process is in place to address grievances through the open channels of communication and the Ombudsman channel as per the Whistleblower Policy. The Ombudsman ensures the confidentiality of the complaints and grievances received through email.

6. Number of complaints on the following made by employees and workers:

Benefits	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced/ Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0%	0%
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

As per the Whistleblower Policy, the Company ensures protection of the complainant. The investigation of the complaints is done strictly in a confidential manner ensuring the protection of the complainant against any retaliation. The Company provides necessary safeguards to all Whistle Blowers for making Protected Disclosures in good faith, in all the areas covered under the Global Code of Conduct.

For the cases pertaining to sexual harassment, the Company's policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder ensures strict confidentiality of the investigation procedure and protection of the identity of the complainant.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes. They form an integral part of business agreements and contracts.

10. Assessments for the year:

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Sexual harassment	100
Discrimination at workplace	100
Child labour	100
Forced Labour/ Involuntary Labour	100
Wages	100
Other human rights related issues	100

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

No significant risks or concerns observed.

Leadership Indicators
1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

NA

2. Details of the scope and coverage of any Human rights due diligence conducted.

None.

3. Is the premise/office of the entity accessible to differently abled visitors as per the requirements of the Rights of Persons with Disabilities Act 2016?

Yes.

4. Details on assessment of value chain partners:

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Sexual harassment	0
Discrimination at workplace	0
Child labour	0
Forced Labour/ Involuntary Labour	0
Wages	0
Other human rights related issues	0

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not applicable



Environment

Principle 6:

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity:

Parameter	FY 2023-24	FY 2022-23
From renewable sources		
Total electricity consumption (A)	0 GJ	0 GJ
Total fuel consumption (B)	0 GJ	0 GJ
Energy consumption through other sources (C)	0 GJ	0 GJ
Total energy consumption from renewable sources (A+B+C)	0 GJ	0 GJ
From non-renewable sources		
Total electricity consumption (D)	24,309 GJ	24,415 GJ
Total fuel consumption (E)	693 GJ	350 GJ
Energy consumption through other sources (F)	49 GJ	93 GJ
Total energy consumption from non-renewable sources (D+E+F)	25,050 GJ	24,858 GJ
Total energy consumed (A+B+C+D+E+F)	25,050 GJ	24,858 GJ
Energy intensity per rupee of turnover (Total energy consumption/ Revenue from operations in Mn rupees)	33	10
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	759	238
Energy intensity in terms of physical output	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance Achieve and Trade (PAT) Scheme of the Government of India? (Yes/ No). If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved provide the remedial action taken if any.

No.

3. Provide details of the following disclosures related to water:

Parameter	FY 2023-24	FY 2022-23
Water Withdrawn by the source (KL)		
i) Surface Water	0	0
ii) Ground Water	4,642	4,491
iii) 3rd Party Water	28,447	27,004
iv) Seawater/desalinated water	0	0
v) Others	0	0
Total Vol of Water Withdrawn (i + ii + iii + iv + v)	33,089	31,495
Total Vol of Water Consumed (KL)	33,089	31,495
Water intensity per rupee of turnover.	44	13
(Water consumed in KL/Revenue from operations Mn Rs)		
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	1003	298
Water intensity in terms of physical output	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No.

4. Provide the following details related to water discharged:

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
i) To Surface Water	0	0
ii) Ground Water	0	0
iii) To Seawater	0	0
iv) Sent to third-parties		
— No Treatment	0	0
— With Treatment ((Post primary, secondary and tertiary treatment, treated water is drained in common sewer)	3,254	3,669
Total water discharged (in kilolitres)	3,254	3,669

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

5. Has the entity implemented a mechanism for Zero Liquid Discharge? (Yes/ No). If yes, Provide details of its coverage and implementation.

Yes. The Company has effluent treatment plant to treat the waste water which then is used for gardening and cleaning.

6. Please provide details of air emissions (other than GHG emissions) by the entity:

Parameter	Please specify unit of measurement (UoM)	FY 2023-24	FY 2022-23
NOx	Kgs	179	185
Sox	Kgs	112	106
Particulate Matter (PM)	Kgs	149	159

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:

Parameter	Please specify unit of measurement (UoM)	FY 2023-24	FY 2022-23
Total Scope 1 emissions	Metric tonnes of CO2 equivalent	0	0
Total Scope 2 emissions	Metric tonnes of CO2 equivalent	0	0
Total Scope 1 and Scope 2 emissions per rupee of turnover	NA	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

8. Does the entity have any project related to reducing Green House Gas emission?

If yes, then provide details.

No

9. Provide details related to waste management by the entity:

Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0	0
E-waste (B)	0	0
Bio-medical waste (C)	11	13
Construction and Demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste (G)	8	12
Other Non-hazardous waste generated (H)	39	35
Total (A+B+C+D+E+F+G+H)	58	60
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations Rs Mn)	0.08	0.03
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	1.77	0.58
Waste intensity in terms of physical output	NA	NA

Parameter	FY 2023-24	FY 2022-23
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	0	0

Parameter	FY 2023-24	FY 2022-23
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
(i) Incineration	7	11
(ii) Landfilling	0	0
(iii) Other disposal operations	52	48
Total	58	60

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company has adopted a waste management plan with a comprehensive approach towards waste minimization, segregation and safe disposal. The Company sends the hazardous waste like spent oil to recycling units.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details:

Not applicable

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not applicable

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances:

Yes

Leadership Indicators

1. **With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.**

Not applicable

2. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives:**

No

3. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Yes, the Company has a business continuity and disaster management plan in place. This business continuity plan enables the Company to adapt in situations arising from any natural calamity or an unprecedented event which may disrupt the business operations. The Company continuously enhances its existing plan by incorporating interferences and observations from disruptions faced in the unprecedented situations such as the pandemic. Further, the Company’s risk management plan enables the minimisation of disaster-linked losses, by assessing the potential for major disruption with its consequent risks to the business, and by providing the appropriate mitigation action plans.

4. **Disclose any significant adverse impact to the environment arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

Not applicable

5. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

Nil



Responsible Public Advocacy

Principle 7:

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a Number of affiliations with trade and industry chambers/ associations.

One

1. b List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	IMC Chamber of Commerce and Industry	National

2. **Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.**

Not applicable



Community upliftment

Principle 8:

Businesses should promote inclusive growth and equitable development

Essential Indicators

- Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Not applicable

- Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:**

Not applicable

- Describe the mechanisms to receive and redress grievances of the community.**

Not applicable

- Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

Parameter	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	17%	8%
Directly sourced from within India *	82%	84%

* Input materials sourced within India as a percentage of total materials sourced

- Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

Location	FY 2023-24	FY 2022-23
Rural	0%	0%
Semi-urban	0%	0%
Urban	49%	46%
Metropolitan	51%	54%

* data for India employees only

Leadership Indicators

- Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Not applicable

- Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

Not applicable

- Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

No

- From which marginalized /vulnerable groups do you procure?**

Not applicable

3.c What percentage of total procurement (by value) does it constitute?

Not applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Nil

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved

Not applicable


Consumer wellbeing
Principle 9:
Businesses should engage with and provide value to their customers and consumers in a responsible manner
Essential Indicators
1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company is engaged in research and development activities. It does not provide services directly to consumers. Hence not applicable.

2. Turnover of products and/ services as a percentage of turnover from all products/ services that carry information about Environmental product and social parameters relevant to the Product, Safe and responsible usage and Recycling and/or safe disposal:

Not applicable

3. Number of consumer complaints in respect of the following:

Benefits	FY 2023-24			FY 2022-23		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Others	-	-	-	-	-	-

4. Details of instances of product recalls on account of safety issues:

Not applicable

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No). If available, provide a web-link of the policy.

No

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not applicable

7. Provide the following information relating to data breaches:

- a. Number of instances of data breaches along-with impact.

There were no data breaches identified during the year.

- b. Percentage of data breaches involving personally identifiable information of customers

Nil

Leadership Indicators

- 1. Channels / platforms where information on products and services of the entity can be accessed (provide web link if available).**

<https://sparc.life>

- 2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

Not Applicable

- 3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

Not Applicable

- 4.a Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable).**

Not applicable

- 4.b If yes, provide details in brief.**

Not applicable

- 4.c Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

No

Independent Auditor's Report

To the Members of **Sun Pharma Advanced Research Company Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Sun Pharma Advanced Research Company Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of

our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
<p>Revenue recognition (as described in note 27 of the standalone financial statements)</p> <p>The Company is engaged in the business of Research and Development of pharmaceutical products. The Company has various contractual arrangements with customers which are entered into at various stages of research and development. The Company recognizes revenue based on the contractual terms and performance obligations with customers. Some of these arrangements involve judgments which may impact the manner and timing of revenue recognition.</p> <p>Considering that contractual arrangements with customers involve judgments which may impact the manner and timing of revenue recognition, revenue recognition is considered as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> Read the accounting policy for revenue recognition of the Company and assessed compliance with the principles enunciated under Ind AS 115. Evaluated the design and tested the operating effectiveness of management's controls in respect of revenue recognition. Obtained a sample of contracts and reviewed the terms of the arrangements to determine whether the work performed under the contract qualified for revenue recognition having regard to the performance obligations under the contracts. Assessed the disclosures in the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
<p>Evaluation of direct tax and indirect tax litigations (as described in note 42 of the standalone financial statements)</p> <p>The Company has material direct tax and indirect tax litigations which involve significant judgment to determine the possible outcome of these disputes and accordingly it is considered as key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> ▪ Evaluated the design and tested the operating effectiveness of controls in respect of the identification and evaluation of tax litigations and the recording and reassessment of the related liabilities and provisions and disclosures. ▪ Obtained list of ongoing tax litigations from management along with their assessment of the cases based on past precedents, judgements and matters in the jurisdiction, legal opinions sought by management, correspondences with tax department etc. ▪ Engaged tax specialists, to evaluate management's assessment of the outcome of these litigations. Our specialists considered legal precedence and other rulings in evaluating management's position on these tax litigations. ▪ Assessed the disclosures in the accompanying standalone financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis Report, Business Responsibility and Sustainability Report and Board's Report, but does not include the standalone financial statements and our auditor's report thereon. The Management Discussion and Analysis Report, Business Responsibility and Sustainability Report and Board's Report is expected to be made available to us after the date of this auditor's report.

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

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

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting

Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, 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;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except,
 - (i) for the matters stated in the paragraph i(vi) below on reporting under Rule 11(g);
 - (ii) the backup of books of account was not kept on the servers physically located in India on a daily basis from April 01, 2023 to June 05, 2023 as described in note 51(a) of standalone financial statements.
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record

- by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) Based on the information and explanations provided to us and based on our examination of books of accounts, the Company has not accrued / paid any managerial remuneration to its directors. Accordingly, the provision of section 197 read with Schedule V to the Act are not applicable;
- (h) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph b above on reporting under Section 143(3)(b) and paragraph i(vi) below on reporting under Rule 11(g).
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer note 42 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a) The management has represented that, to the best of its knowledge and belief, and read with note 48 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, and read with note 48 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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; and
 - c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. No dividend has been declared or paid during the year by the Company.
 - vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for direct changes to data when using certain access rights, as described in note 51(b) to the standalone financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where such audit trail has been enabled.

For **S R B C & C O L L P**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Amit Singh**

Partner

Membership Number: 408869

UDIN: 24408869BKBTQH8068

Place of Signature: Mumbai

Date: May 24, 2024

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: Sun Pharma Advanced Research Company Limited (the "Company")

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (i) (a) (B) The Company has maintained proper records, where relevant, showing full particulars of intangible assets.
- (i) (b) All Property, Plant and Equipment were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets.
- (i) (c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 3a to the standalone financial statements included in property, plant and equipment are held in the name of the Company except for the following immovable properties:

Description	Gross carrying value (INR in Lakhs)	Held in name of	Whether promoter, director or their relative or employee	Period held (In Year)	Reason for not being held in name of Company
R&D building located at Mahakali Caves Road, Andheri, Mumbai admeasuring 1041.29 square meters.	285.99	Sun Pharmaceutical Industries Limited	No	17	The building was transferred (pending registration) to the Company pursuant to a scheme of arrangement in the nature of demerger and transfer of Innovative Research and Development business of Sun Pharmaceutical Industries Limited under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High court of Gujarat. The agreement is in the name of Sun Pharmaceutical Industries Limited

- (i) (d) The Company does not follow the revaluation model for subsequent measurement of its Property, Plant and Equipment (including Right of use assets) or intangible assets. Accordingly, the requirement to report on clause 3(i)(d) of the Order is not applicable to the Company.
- (i) (e) There are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Accordingly, the requirement to report on clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) According to the information and explanation given to us and having regard to the nature of the Company's business, the Company does not have any inventory during the year since procurements are issued directly for consumption to the user department. Accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(ii) (b) As disclosed in note 21 to the standalone financial statements, the Company has been sanctioned working capital limits in excess of INR five crore in aggregate from banks and financial institutions during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the standalone financial statements, the quarterly return/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.

(iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to any other entity, other than to its employees as follows:

Particulars	Loans to employees (INR in Lakhs)
Aggregate amount granted during the year	15.97
Balance outstanding as at balance sheet date	6.70

Accordingly, the requirement to report on clause 3(iii)(a)(A) and (B) of the Order are not applicable to the Company.

(iii) (b) During the year the investments made and the terms and conditions of the grant of all loans and advances in the nature of loans to its employees are not prejudicial to the Company's interest. Since, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to any other entity, other than to its employees, the requirement to report on clause 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company in respect of any entity other than employees.

(iii) (c) The Company has granted loans and advances in the nature of loans during the year to its employees where the schedule of repayment of principal and payment of interest has been stipulated and the repayment/receipts are regular.

(iii) (d) In respect of loans and advances in the nature of loans granted to employees during the year, there are no amounts overdue for more than ninety days. Accordingly, the requirement to report on clause 3(iii)(d) of the order is not applicable.

(iii) (e) In respect of loans and advances in the nature of loans granted to employees, there were no amounts which have fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same employees. Accordingly, the requirement to report on clause 3(iii)(e) of the order is not applicable.

(iii) (f) In respect of loans and advances in the nature of loans granted to employees, there were no amounts granted which were either repayable on demand or without specifying any terms or period of repayment. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) Investments in respect of which provisions of sections 186 of the Companies Act, 2013 are applicable have been complied with by the Company. Further, there are no loans, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act, 2013 and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company and accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(vii) (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues, where applicable and which have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount involved (INR in lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income Tax and Interest	3,738.83	AY 2013-14 and AY 2014-15	Commissioner of Income Tax (Appeals)
Finance Act, 1994	Service Tax, Interest and Penalty	6,941.27	April 2014 to June 2017	Custom Excise and Service Tax Appellate Tribunal (CESTAT)

Note: The amounts disclosed above are net of the payments made to the respective authorities where the dispute is pending and includes interest till the date of demand.

- (viii) The Company has not surrendered or disclosed any transaction, previously not recorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (ix) (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (ix) (c) There are no term loans obtained during the year and hence reporting under clause (ix)(c) is not applicable.
- (ix) (d) On an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (ix) (e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary. The Company does not have any associate or joint venture.
- (ix) (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary. The Company does not have any associate or joint venture. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments). Accordingly, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (x) (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (xi) (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (xi) (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (xiv) (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly the requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to

the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(xvi) (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

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

(xvi) (d) Based on information and explanation provided by the management of the Company, the group does not have more than one Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

(xvii) The Company has incurred cash losses amounting to Rs. 37,239 Lakhs in the current year and amounting to Rs. 21,410 Lakhs in the immediately preceding financial year respectively.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 47 to the standalone financial statements, the ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our

examination of the evidence supporting the assumptions, the Company has obtained the letter of financial support from the Promoter Group Entity, nothing has come to our attention, which causes us to believe that Company is not capable of meeting its liabilities, existing at the date of balance sheet, as and when they fall due within a period of one year from the balance sheet date.

We, further state that this is not an assurance as to the future viability of the Company and our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) There are no amounts which are required to be spent under section 135 of the Companies Act, 2013 in relation to Corporate Social Responsibility. Accordingly, the requirement to report on clause 3(xx)(a) and (b) of the Order is not applicable to the Company.

For **S R B C & C O L L P**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Amit Singh**

Partner

Membership Number: 408869

UDIN: 24408869BKBTQH8068

Place of Signature: Mumbai

Date: May 24, 2024

Annexure 2 to the Independent Auditor's Report of even date on the standalone financial statements of Sun Pharma Advanced Research Company Limited

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

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

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

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

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Amit Singh**
Partner
Membership Number: 408869
UDIN: 24408869BKBTQH8068
Place of Signature: Mumbai
Date: May 24, 2024

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Standalone Balance Sheet

as at March 31, 2024

₹ In Lakhs

	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
(A) Non-current assets			
(a) Property, plant and equipment	3a	10,246.13	10,540.70
(b) Capital work-in-progress	3b	126.86	187.34
(c) Other intangible assets	3c	18.56	34.17
(d) Intangible assets under development	3d	4,252.63	2,512.65
(e) Financial assets			
(i) Investment in the nature of equity in subsidiary	4	41.69	-
(ii) Bank balances other than cash and cash equivalents	4a	-	15,000.00
(iii) Other financial assets	5	2,548.91	2,740.94
(f) Deferred tax assets (net)	6	-	-
(g) Income tax assets (net)	7	6,677.96	6,259.78
(h) Other non-current assets	8	79.83	240.76
Total non-current assets (A)		23,992.57	37,516.34
(B) Current assets			
(a) Financial assets			
(i) Investments	9	180.13	29,089.93
(ii) Trade receivables	10	1,553.13	3,271.43
(iii) Cash and cash equivalents	11	506.31	58.36
(iv) Bank balances other than cash and cash equivalents	12	15,000.00	11,099.21
(v) Loans	13	22.17	53.90
(vi) Other financial assets	14	2,067.01	634.12
(b) Other current assets	15	5,312.00	1,289.32
Total current assets (B)		24,640.75	45,496.27
TOTAL ASSETS (A + B)		48,633.32	83,012.61
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	3,245.30	3,245.30
(b) Other equity	17	9,240.43	48,032.21
Total equity		12,485.73	51,277.51
Liabilities			
(A) Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	18	721.19	1,262.00
(ii) Other financial liabilities	18a	83.37	-
(b) Provisions	19	604.75	813.80
(c) Other non-current liabilities	20	10,349.43	11,764.73
Total non-current liabilities (A)		11,758.74	13,840.53
(B) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	4,700.00	5.10
(ii) Lease liabilities	22	202.12	300.43
(iii) Trade payables	23		
Total outstanding dues of micro enterprises and small enterprises		105.78	220.54
Total outstanding dues of creditors other than micro enterprises and small enterprises		14,875.80	14,604.79
(iv) Other financial liabilities	24	2,643.64	1,173.08
(b) Other current liabilities	25	1,506.44	941.24
(c) Provisions	26	355.07	649.39
Total current liabilities (B)		24,388.85	17,894.57
Total liabilities (A + B)		36,147.59	31,735.10
TOTAL EQUITY AND LIABILITIES		48,633.32	83,012.61
Material accounting policies	2		

The accompanying notes are integral part of the standalone financial statements

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No : 324982E/E300003

For and on behalf of the Board of Directors of

SUN PHARMA ADVANCED RESEARCH COMPANY LIMITED
ANIL RAGHAVAN

Chief Executive Officer

Place : New Jersey, U.S.A.

DILIP S. SHANGHVI

Chairman

DIN: 00005588

Place : Mumbai

per AMIT SINGH

Partner

Membership No. 408869

CHETAN M. RAJPARA

Chief Financial Officer

Place : London, U.K.

SUDHIR V. VALIA

Director

DIN: 00005561

Place : Mumbai

Place : Mumbai

Date : May 24, 2024

KAJAL K. DAMANIA

Company Secretary

Place : Mumbai

Date : May 24, 2024

Standalone Statement of Profit and Loss

for the year ended March 31, 2024

₹ In Lakhs

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
(I) Revenue from operations	27 & 44	7,554.53	23,878.01
(II) Other income	28	2,946.93	1,087.74
(III) Total income (I + II)		10,501.46	24,965.75
(IV) Expenses			
Cost of materials consumed	29	2,813.10	2,211.08
Employee benefits expense	30	11,853.18	10,699.82
Clinical trial expenses / products development expense		10,135.04	14,946.97
Professional charges		17,888.81	13,194.27
Finance costs	31	165.52	763.47
Depreciation and amortisation expense	3a & 3c	1,212.76	1,177.08
Other expenses	32	5,243.57	4,231.41
Total expenses (IV)		49,311.98	47,224.10
(V) Loss before tax (III - IV)		(38,810.52)	(22,258.35)
(VI) Tax expense		-	-
(VII) Loss for the year (V - VI)		(38,810.52)	(22,258.35)
(VIII) Other comprehensive income (OCI)			
A) Items that will not be reclassified to profit or loss			
i. Gain on remeasurement of the defined benefit plans		18.74	135.39
Total other comprehensive income (VIII)		18.74	135.39
(IX) Total comprehensive loss for the year (VII + VIII)		(38,791.78)	(22,122.96)
(X) Loss per equity share	37		
(Face value ₹ 1/- per equity share)			
Basic and Diluted (in ₹)		(11.96)	(7.82)
Material accounting policies	2		

The accompanying notes are integral part of the standalone financial statements

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No : 324982E/E300003

For and on behalf of the Board of Directors of

SUN PHARMA ADVANCED RESEARCH COMPANY LIMITED**ANIL RAGHAVAN**

Chief Executive Officer

Place : New Jersey, U.S.A.

DILIP S. SHANGHVI

Chairman

DIN: 00005588

Place : Mumbai

per AMIT SINGH

Partner

Membership No. 408869

CHETAN M. RAJPARA

Chief Financial Officer

Place : London, U.K.

SUDHIR V. VALIA

Director

DIN: 00005561

Place : Mumbai

Place : Mumbai

Date : May 24, 2024

KAJAL K. DAMANIA

Company Secretary

Place : Mumbai

Date : May 24, 2024

Standalone Statement of Changes in Equity

for the year ended March 31, 2024

A Equity share capital

₹ In Lakhs

	Year ended March 31, 2024	Year ended March 31, 2023
At the beginning of the year	3,245.30	2,718.87
Changes in equity share capital during the year (Refer Note 16)	-	526.43
At the end of the year	3,245.30	3,245.30

B Other equity

₹ In Lakhs

Particulars	Other equity				Total
	Money received against share warrants	Reserves and surplus			
		General reserves	Securities premium	Retained earnings	
Balance as at April 1, 2022	23,425.97	3,397.66	1,10,638.45	(1,37,058.38)	403.70
Add : Premium on issue of equity shares against conversion of warrants	-	-	70,277.90	-	70,277.90
Less : Transfer to equity share capital and securities premium	(23,425.97)	-	22,899.54	-	(526.43)
Loss for the year	-	-	-	(22,258.35)	(22,258.35)
Other comprehensive income for the year	-	-	-	135.39	135.39
Balance as at March 31, 2023	-	3,397.66	2,03,815.89	(1,59,181.34)	48,032.21
Loss for the year	-	-	-	(38,810.52)	(38,810.52)
Other comprehensive income for the year	-	-	-	18.74	18.74
Balance as at March 31, 2024	-	3,397.66	2,03,815.89	(1,97,973.12)	9,240.43

Note : There are no changes in accounting policies and prior period errors during the current and previous year.

Material accounting policies 2

The accompanying notes are integral part of the standalone financial statements

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No : 324982E/E300003

For and on behalf of the Board of Directors of

SUN PHARMA ADVANCED RESEARCH COMPANY LIMITED
ANIL RAGHAVAN

Chief Executive Officer

Place : New Jersey, U.S.A.

DILIP S. SHANGHVI

Chairman

DIN: 00005588

Place : Mumbai

per AMIT SINGH

Partner

Membership No. 408869

CHETAN M. RAJPARA

Chief Financial Officer

Place : London, U.K.

SUDHIR V. VALIA

Director

DIN: 00005561

Place : Mumbai

Place : Mumbai

Date : May 24, 2024

KAJAL K. DAMANIA

Company Secretary

Place : Mumbai

Date : May 24, 2024

Standalone Statement of Cash Flows

for the year ended March 31, 2024

₹ In Lakhs

	Year ended March 31, 2024	Year ended March 31, 2023
A. Cash flow from operating activities		
Loss before tax	(38,810.52)	(22,258.35)
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation and amortisation expense	1,212.76	1,177.08
(Gain) / Loss on disposal of property, plant and equipment (net)	(6.02)	11.29
Gain on derecognition of Right to use assets	(52.17)	-
Finance costs	165.52	763.47
Interest income	(2,546.73)	(758.26)
Net gain on sale of financial assets measured at fair value through profit or loss	(317.91)	(208.06)
Net gain arising on financial assets measured at fair value through profit or loss	(0.14)	(118.46)
Net unrealised foreign exchange (gain) / loss	206.63	(167.81)
Provision for doubtful debt	204.95	-
Operating loss before working capital changes	(39,943.63)	(21,559.10)
Working capital adjustments :		
(Increase) / decrease in trade receivables	1,521.44	(500.63)
(Increase) / decrease in other assets	(4,054.96)	1,040.56
Increase / (decrease) in trade payables	157.74	7,666.79
Increase / (decrease) in other liabilities	272.48	5,648.36
Increase / (decrease) in provisions	(484.63)	255.73
Cash used in operations	(42,531.56)	(7,448.29)
Direct tax (paid) / refund received (including interest on refunds) (net)	(411.08)	536.50
Net cash used in operating activities (A)	(42,942.65)	(6,911.79)
B. Cash flow from investing activities		
Payments for purchase of property, plant and equipment (including capital work-in-progress, intangible assets and intangible assets under development)	(2,650.79)	(1,538.67)
Proceeds from disposal of property, plant and equipment (net)	48.52	46.54
Disposal / (Purchase) of investments (net)	28,418.78	(27,423.61)
Investment in the nature of equity in subsidiary	(41.69)	-
Bank balances not considered as cash and cash equivalents		
Fixed deposits with bank placed	(2,500.00)	(78,099.00)
Fixed deposits with bank matured	13,599.00	52,000.00
Interest received	2,237.19	186.95
Net cash generated / (used in) investing activities (B)	39,111.02	(54,827.79)
C. Cash flow from financing activities		
Proceeds from borrowings	6,441.22	22,453.67
Repayment of borrowings	(1,746.32)	(29,948.57)
Repayment of principal portion of lease liabilities	(258.90)	(286.79)
Proceeds from issue of equity shares (on conversion of warrants)	-	70,277.90
Finance costs (including interest on lease liabilities)	(156.42)	(820.68)
Net cash generated in financing activities (C)	4,279.58	61,675.53

Standalone Statement of Cash Flows

for the year ended March 31, 2024

₹ In Lakhs

	Year ended March 31, 2024	Year ended March 31, 2023
Net increase / (decrease) in cash and cash equivalents (A+B+C)	447.95	(64.06)
Cash and cash equivalents at the beginning of the year (Refer Note 11)	58.36	122.42
Cash and cash equivalents at the end of the year (Refer Note 11)	506.31	58.36
Cash and cash equivalents comprises of		
Balances with banks		
In current accounts	505.99	58.14
Cash on hand	0.32	0.22
Cash and cash equivalents (Refer Note 11)	506.31	58.36
Material accounting policies	2	

The accompanying notes are integral part of the standalone financial statements

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No : 324982E/E300003

per AMIT SINGH

Partner

Membership No. 408869

Place : Mumbai

Date : May 24, 2024

For and on behalf of the Board of Directors of

SUN PHARMA ADVANCED RESEARCH COMPANY LIMITED

ANIL RAGHAVAN

Chief Executive Officer

Place : New Jersey, U.S.A.

CHETAN M. RAJPARA

Chief Financial Officer

Place : London, U.K.

KAJAL K. DAMANIA

Company Secretary

Place : Mumbai

DILIP S. SHANGHVI

Chairman

DIN: 00005588

Place : Mumbai

SUDHIR V. VALIA

Director

DIN: 00005561

Place : Mumbai

Date : May 24, 2024

Standalone Notes to Financial Statements

for the year ended March 31, 2024

1. Corporate Information

Sun Pharma Advanced Research Company Limited ("the Company") (CIN L73100GJ2006PLC047837) is a public limited company incorporated and domiciled in India and has its listing on the BSE Limited and National Stock Exchange of India Limited. The registered office is located at Plot No. 5 & 6/1, Savli, G. I. D. C. Estate, Manjusar, Vadodara – 391 775. The Company is in the business of research and development (R&D) of pharmaceutical products.

The financial statements were approved for issue in accordance with the resolution of the Board of Directors on May 24, 2024.

2. Material accounting policies

2.1 Basis of preparation and presentation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirement of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

The financial statements have been prepared on the historical cost basis, except for : (i) certain financial instruments that are measured at fair values at the end of each reporting period (ii) non-current assets classified as held for sale which are measured at the lower of their carrying amount and fair value less costs to sell and (iii) defined benefit plans – plan assets that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The Company has prepared the financial statement on the basis that it will continue to operate as a going concern.

The financial statements are prepared in INR and all values are rounded to the nearest lakhs upto two decimals, except when otherwise stated. The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

For the purpose of these financial statements, previous year means the financial year ended March 31, 2023.

a) Current versus non-current classification

All assets and liabilities, other than deferred tax assets and liabilities, have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Act. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has ascertained its normal operating cycle as 12 months for current and non-current classification of assets and liabilities.

b) Foreign currencies

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Transactions and balances

On initial recognition, transactions in currencies other than the Company's functional currency (foreign currencies) are translated at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous period are recognised in statement of profit and loss in the period in which they arise.

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

c) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Standalone Notes to Financial Statements

for the year ended March 31, 2024

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

d) Segment reporting

Based on the "Management Approach" as defined in Ind AS 108 - Operating Segment, the Chief Operating Decision Maker (CODM) of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the CODM. Operating segments are reported in a manner consistent with the internal reporting provided to the CODM.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

e) Property, plant and equipment

Items of property, plant and equipment and other intangible assets are stated in balance sheet at cost net of accumulated depreciation and accumulated impairment losses, if any. Cost directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by the management. Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate.

Standalone Notes to Financial Statements

for the year ended March 31, 2024

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. All other repairs and maintenance cost are recognised in the statement of profit and loss account as incurred.

Depreciation is calculated on a straight line basis over the estimated useful life of the assets as follows:

Asset category	No. of years
Buildings	60
Plant and equipment	3-25
Vehicles	5
Office equipment	2-5
Furniture and fixtures	10

The Company, based on technical assessment made by technical experts and management estimate, depreciates certain items plant and equipment, office equipment, vehicle over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflects fair approximation of the period over which the assets are likely to be used. Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

f) Intangible assets

Intangible assets that are acquired by the Company and that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any. Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate.

Software for internal use, which is primarily acquired from third-party vendors, including consultancy charges for implementing the software, is capitalised. Subsequent costs are charged to the statement of profit and loss as incurred. The capitalised costs are amortised over the estimated useful life of the software i.e. 5 years.

g) Research and development cost

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised as an expense when incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

The expenditure to be capitalised include the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in statement of profit and loss as incurred.

Procurement of research and development materials are issued directly for consumption to the user department and disclosed under cost of materials consumed.

Acquired research and development intangible assets which are under development, are recognised as In-Process Research and Development assets ("IPR&D"). IPR&D assets are not amortised, but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Any impairment charge on such IPR&D

Standalone Notes to Financial Statements

for the year ended March 31, 2024

assets is recognised in profit and loss. Intangible assets relating to products under development, other intangible assets not available for use and intangible assets having indefinite useful life are tested for impairment annually, or more frequently when there is an indication that the assets may be impaired.

Derecognition of intangible assets

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Any, gain or loss arising on such de-recognition is recognised in statement of profit and loss and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as on the date of de-recognition.

h) **Investments in the nature of equity in subsidiary**

The Company has elected to recognise its investments in equity instruments in subsidiaries and associates at cost in the separate financial statements in accordance with the option available in Ind AS 27, 'Separate Financial Statements.' Impairment policy applicable on such investments is explained in Note 2.2.i.

i) **Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. 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 or the cash-generating unit for which the estimates of future cash flows have not been adjusted. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised in the statement of profit and loss if the estimated recoverable amount of an asset or its cash generating unit is lower than its carrying amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

j) **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

Initial recognition and measurement-

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date.

Subsequent measurement-

For purposes of subsequent measurement, financial assets are classified in four categories:

- i. Debt instruments measured at amortised cost
- ii. Debt instruments measured at fair value through other comprehensive income (FVTOCI)
- iii. Debt instruments measured at fair value through profit or loss (FVTPL)

Standalone Notes to Financial Statements

for the year ended March 31, 2024

iv. Equity instruments are measured at fair value through other comprehensive income (FVTOCI)

A. Debt instruments

i. **Debt instruments measured at amortised cost** - A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Other Income in the statement of profit or loss. The losses arising from impairment are recognised in the profit or loss.

ii. **Debt instruments measured at FVTOCI** - A 'debt instrument' is measured as at FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The contractual terms of the instrument give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. **Debt instruments measured at FVTPL** - FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

B. Equity instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit or loss.

Standalone Notes to Financial Statements

for the year ended March 31, 2024

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The contractual rights to receive cash flows from the asset have expired.
- The Company has transferred its rights to receive contractual cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost
- b) Trade receivables or any contractual right to receive cash or another financial asset
- c) Loan commitments which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or any contractual right to receive cash or another financial asset.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Financial liabilities and equity instruments-

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments-

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in statement of profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Standalone Notes to Financial Statements

for the year ended March 31, 2024

Initial recognition and measurement-

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement-

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at FVTPL.

Financial liabilities at fair value through profit or loss-

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or is designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred principally for the purpose of repurchasing in the near term or on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking. This category also includes derivative entered into by the Company that are not designated and effective as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities subsequently measured at amortised cost-

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost in subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate (EIR) method. Interest expense that is not capitalised as part of costs of an asset is included in the finance costs line item in the statement of profit or loss.

After initial recognition, such financial liabilities are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition-

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in statement of profit or loss.

Reclassification of financial assets-

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

k) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use

Standalone Notes to Financial Statements

for the year ended March 31, 2024

of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Building 3-5 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (h) Impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (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). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight line basis over the lease term.

i) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an overflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flow as a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities and contingent assets-

Contingent liability is disclosed for,

Standalone Notes to Financial Statements

for the year ended March 31, 2024

- i. Possible obligations which will be confirmed only by future events not wholly within the control of the Company, or
- ii. Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised in the financial statements unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of benefits is probable, contingent assets are disclosed in financial statements.

m) Revenue from operations

Revenue from contracts with customers

Milestone payments and out licensing arrangements

Revenues include amounts derived from product out-licensing agreements. These arrangements typically consist of an initial up-front payment on inception of the license and subsequent payments dependent on achieving certain milestones in accordance with the terms prescribed in the agreement.

Non-refundable up-front license fees received in connection with product out-licensing agreements are recognised at a point in which the Company has no continuing performance obligations. However, in case of continued performance obligations, the Company deferred the non-refundable up-front license fees received in connection with product out-licensing agreements and recognises the same over the period.

Milestone payments which are contingent on achieving certain clinical milestones are recognised as revenues either on achievement of such milestones, if the milestones are considered substantive, or over the period the Company has continuing performance obligations, if the milestones are not considered substantive.

Research and development services

Revenue from services rendered, which primarily relate to research and development, is recognised in the statement of profit and loss as the underlying services are performed.

Royalties

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that economic benefits will flow to the Company and the amount of revenue can be measured reliably). Royalty arrangements that are based on sales and other measures are recognised by reference to the underlying arrangement.

Interest income

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

Contract balances

Unbilled receivable

During the end of reporting period, unbilled receivable is recognised for the royalty income, milestone payment or Research and development service on satisfaction of revenue recognition criteria mentioned above but the same is not billed to the customers. Upon billing, the amount recognized as unbilled receivable is reclassified to trade receivables.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Standalone Notes to Financial Statements

for the year ended March 31, 2024

Contract liabilities

Advance received from customer

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is received or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

n) **Employee benefits**

Defined benefit plans

The Company operates a defined benefit gratuity plan which requires contribution to be made to a separately administered fund.

The liability in respect of defined benefit plans is calculated using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds. The currency and term of the government bonds shall be consistent with the currency and estimated term of the post-employment benefit obligations. The current service cost of the defined benefit plan, recognised in the statement of profit and loss as employee benefits expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognised in statement of profit and loss in the period of a plan amendment. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in statement of profit and loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to OCI in the period in which they arise and is reflected immediately in retained earnings and is not reclassified to statement of profit and loss.

Short-term and other long-term employee benefits

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

The Company's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value.

Defined contribution plans

The Company's contributions to defined contribution plans are recognised as an expense as and when the services are received from the employees entitling them to the contributions. The Company does not have any obligation other than the contribution made.

o) **Borrowing cost**

Borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Standalone Notes to Financial Statements

for the year ended March 31, 2024

p) Income tax

Income tax expense consists of current and deferred tax. Income tax expense is recognised in statement of profit and loss except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI or directly in equity respectively. Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Accruals for uncertain tax positions require management to make judgments of potential exposures. Accruals for uncertain tax positions are measured using either the most likely amount or the expected value amount depending on which method the entity expects to better predict the resolution of the uncertainty. Tax benefits are not recognised unless the management, based upon its interpretation of applicable laws and regulations and the expectation of how the tax authority will resolve the matter, concludes that such benefits will be accepted by the authorities. Once considered probable of not being accepted, management reviews each material tax benefit and reflects the effect of the uncertainty in determining the related taxable amounts.

q) Recent Accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Standalone Notes to Financial Statements

for the year ended March 31, 2024

NOTE 3a

PROPERTY, PLANT AND EQUIPMENT

	Lease hold land	Right of use assets#	Buildings*	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
At cost or deemed cost								
As at April 1, 2022	803.50	855.31	3,000.68	7,781.60	399.24	301.44	65.98	13,207.75
Additions	-	1,390.70	35.48	1,099.12	3.30	72.10	13.71	2,614.41
Disposals	-	(458.23)	-	(672.63)	(41.10)	(115.38)	(28.34)	(1,315.68)
As at March 31, 2023	803.50	1,787.78	3,036.16	8,208.09	361.44	258.16	51.35	14,506.48
Additions	-	146.07	49.36	1,118.43	28.33	62.69	11.47	1,416.35
Disposals	-	(693.84)	-	(66.16)	-	(94.82)	(0.14)	(854.96)
As at March 31, 2024	803.50	1,240.01	3,085.52	9,260.36	389.77	226.03	62.68	15,067.87
Accumulated depreciation								
As at April 1, 2022	38.56	486.27	122.92	3,096.31	122.91	146.50	54.51	4,067.98
Depreciation expenses	10.19	278.21	51.28	717.52	36.77	57.30	4.38	1,155.65
Eliminated on disposals of assets	-	(458.23)	-	(618.92)	(36.98)	(115.38)	(28.34)	(1,257.85)
As at March 31, 2023	48.75	306.25	174.20	3,194.91	122.70	88.42	30.55	3,965.78
Depreciation expenses	10.19	295.68	51.81	734.28	36.91	58.31	7.12	1,194.30
Eliminated on disposals of assets	-	(219.72)	-	(62.60)	-	(55.88)	(0.14)	(338.34)
As at March 31, 2024	58.94	382.21	226.01	3,866.59	159.61	90.85	37.53	4,821.74
Carrying amounts								
As at March 31, 2023	754.75	1,481.53	2,861.96	5,013.18	238.74	169.74	20.80	10,540.70
As at March 31, 2024	744.56	857.80	2,859.51	5,393.77	230.16	135.18	25.15	10,246.13

* Pending registration of one location (Gross carrying amount : ₹ 285.99 Lakhs; Net carrying amount ₹ 190.56)

Refer Note 39.

The Company follows a Cost Model for subsequent measurement of Property plant and equipment and hence no revaluation is done.

Standalone Notes to Financial Statements

for the year ended March 31, 2024

The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company except for the following immovable properties:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ in Lakhs)	Title deeds 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	Building	285.99	Sun Pharmaceutical Industries Limited	No	March 1, 2007	(**)

Relative here means relative as defined in the Companies Act, 2013.

*Promoter here means promoter as defined in the Companies Act, 2013.

** The building was transferred (pending registration) to the Company pursuant to a scheme of arrangement in the nature of demerger and transfer of Innovative Research and Development business of Sun Pharmaceutical Industries Limited under Section 391 to 394 of the erstwhile Companies Act, 1956 in terms of the approval of the Honourable High Court of Gujarat.

NOTE 3b

CAPITAL WORK-IN-PROGRESS

₹ In Lakhs

	As at March 31, 2024	As at March 31, 2023
Capital work-in-progress (CWIP)	126.86	187.34
	126.86	187.34

Movement of capital work-in-progress

₹ In Lakhs

Particulars	Opening balance	Addition during the year	Capitalised during the year	Closing balance
As at March 31, 2024	187.34	924.78	985.26	126.86
As at March 31, 2023	372.01	56.00	240.67	187.34

Capital work-in-progress ageing schedule

₹ In Lakhs

CWIP	As at March 31, 2024				
	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	126.86	-	-	-	126.86
Projects temporarily suspended	-	-	-	-	-

₹ In Lakhs

CWIP	As at March 31, 2023				
	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	47.69	-	6.61	0.69	54.98
Projects temporarily suspended	0.80	-	131.55	-	132.36

There is no project which is overdue or has exceeded its cost compared to its original plan as at balance sheet date.

Standalone Notes to Financial Statements

for the year ended March 31, 2024

NOTE 3c

OTHER INTANGIBLE ASSETS

		₹ In Lakhs
		Computer software
At cost or deemed cost		
As at April 1, 2022		107.23
Additions		8.55
Disposals		-
As at March 31, 2023		115.78
Additions		2.85
Disposals		-
As at March 31, 2024		118.63
Accumulated amortisation		
As at April 1, 2022		60.18
Amortisation expenses		21.43
Eliminated on disposals of assets		-
As at March 31, 2023		81.61
Amortisation expenses		18.46
Eliminated on disposals of assets		-
As at March 31, 2024		100.07
Carrying amounts		
As at March 31, 2023		34.17
As at March 31, 2024		18.56

NOTE 3d

INTANGIBLE ASSETS UNDER DEVELOPMENT

		₹ In Lakhs	
		As at March 31, 2024	As at March 31, 2023
Intangible assets under development		4,252.63	2,512.65
		4,252.63	2,512.65

Movement of Intangible assets under development

		₹ In Lakhs			
Particulars	Opening balance	Addition during the year	Capitalised during the year	Closing balance	
As at March 31, 2024	2,512.65	1,739.98	-	4,252.63	
As at March 31, 2023	2,264.52	248.13	-	2,512.65	

Intangible assets under development ageing schedule

		₹ In Lakhs				
		As at March 31, 2024				
		Amount in Intangible asset under development for a period of				
Intangible assets under development	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	
Projects in progress	1,739.98	248.13	2,264.52	-	4,252.63	
Projects temporarily suspended	-	-	-	-	-	

Standalone Notes to Financial Statements

for the year ended March 31, 2024

₹ In Lakhs

Intangible assets under development	As at March 31, 2023				
	Amount in Intangible asset under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	248.13	2,264.52	-	-	2,512.65
Projects temporarily suspended	-	-	-	-	-

There is no intangible asset where completion is over due or has exceeded its cost compared to its original plan as at balance sheet date.

NOTE 4

INVESTMENT IN THE NATURE OF EQUITY IN SUBSIDIARY

	As at March 31, 2024		As at March 31, 2023	
	Quantity (In No.)	Amount (₹ In Lakhs)	Quantity (In No.)	Amount (₹ In Lakhs)
Equity Instrument				
Wholly owned subsidiary				
SPARCLIFE Inc. - Delaware U.S.A. (Face value of USD 0.001 per share)	50	41.69	-	-
		41.69		-

NOTE 4a

BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS (NON-CURRENT)

₹ In Lakhs

	As at March 31, 2024	As at March 31, 2023
Deposit account		
Fixed deposits with bank	-	15,000.00
	-	15,000.00

NOTE 5

OTHER FINANCIAL ASSETS (NON-CURRENT)

₹ In Lakhs

	As at March 31, 2024	As at March 31, 2023
Interest accrued on fixed deposits (unsecured, considered good)	-	229.93
Security deposits - unsecured, considered good	46.91	45.91
Other receivables	2,502.00	2,465.10
	2,548.91	2,740.94

Standalone Notes to Financial Statements

for the year ended March 31, 2024

NOTE 6

DEFERRED TAX ASSETS (NET)

₹ In Lakhs

	As at April 1, 2023	Recognised in profit or loss	As at March 31, 2024
Deferred tax (liabilities) / assets in relation to :			
Difference between written down value of property, plant and equipment and capital work-in-progress as per books of accounts and income tax	(1,781.22)	(231.87)	(2,013.09)
Difference in carrying value and tax base of financial assets	(0.04)	(34.45)	(34.49)
Allowance for doubtful debts and advances	-	59.68	59.68
Expenses claimed for tax purpose on payment basis	426.08	(146.58)	279.50
Deferred revenue	2,364.40	-	2,364.40
Unabsorbed business losses / capital expenditure (unabsorbed depreciation) (Restricted to the extent of deferred tax liability on depreciation on account of uncertainty of future taxable income)	(1,009.22)	353.22	(656.00)
	-	-	-

₹ In Lakhs

	As at April 1, 2022	Recognised in profit or loss	As at March 31, 2023
Deferred tax (liabilities) / assets in relation to :			
Difference between written down value of property, plant and equipment and capital work-in-progress as per books of accounts and income tax	(1,556.12)	(225.10)	(1,781.22)
Difference in carrying value and tax base of financial assets	(0.37)	0.33	(0.04)
Expenses claimed for tax purpose on payment basis	393.49	32.59	426.08
Deferred revenue	885.04	1,479.36	2,364.40
Unabsorbed business losses / capital expenditure (unabsorbed depreciation) (Restricted to the extent of deferred tax liability on depreciation on account of uncertainty of future taxable income)	277.96	(1,287.18)	(1,009.22)
	-	-	-

Unrecognised deferred tax assets relate primarily to unabsorbed business losses which will expire in 8 years after the year in which they originate as per Income Tax Act, 1961.

₹ In Lakhs

	As at March 31, 2024	As at March 31, 2023
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following :		
Tax losses	1,65,516.13	1,28,601.23
Unabsorbed depreciation	22,488.07	20,926.18

NOTE 7

INCOME TAX ASSETS (NET)

₹ In Lakhs

	As at March 31, 2024	As at March 31, 2023
Advance income tax* (Net of provisions)	6,677.96	6,259.78
	6,677.96	6,259.78

* Includes amount paid under protest.

Standalone Notes to Financial Statements

for the year ended March 31, 2024

NOTE 8

OTHER ASSETS (NON-CURRENT)

₹ In Lakhs

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good unless otherwise stated		
Capital advances	42.04	174.74
Prepaid expenses	37.79	66.02
	79.83	240.76

NOTE 9

INVESTMENTS (CURRENT)

	As at March 31, 2024		As at March 31, 2023	
	Quantity (In No.)	Amount (₹ In Lakhs)	Quantity (In No.)	Amount (₹ In Lakhs)
Investments stated at fair value through profit and loss				
Investments in mutual funds				
Quoted*				
DSP Liquidity Fund-Direct Plan-Growth (Face value of ₹ 10/- each)	-	-	18,246	587.01
DSP Overnight Direct Growth (Face value of ₹ 10/- each)	14,044	180.13	-	-
ICICI Prudential Liquid Fund-Direct Plan Growth (Face value of ₹ 100/- each)	-	-	5,04,715	1,681.64
Nippon India Liquid Fund - Direct Plan Growth Plan - Growth Option (LFAGG) (Face value of ₹ 1,000/- each)	-	-	63,765	3,511.48
UTI Liquid Cash Plan - Direct Plan Growth (Face value of ₹ 1,000/- each)	-	-	1,02,193	3,770.31
		180.13		9,550.44
Investments stated at amortised cost				
Investments in certificate of deposits (CD)				
Unquoted				
Axis Bank Limited	-	-	500	2,477.21
Bank of Baroda	-	-	500	2,482.50
Canara Bank Ltd.	-	-	500	4,936.26
ICICI Bank Ltd.	-	-	500	2,380.87
Small Industries Development Bank of India	-	-	500	4,843.72
State Bank of India	-	-	500	2,418.93
		-		19,539.49
Aggregate value of investments		180.13		29,089.93

*Investments in mutual funds have been fair valued at closing net asset value (NAV).

NOTE 10

TRADE RECEIVABLES

₹ In Lakhs

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good (Refer Note 44)	1,553.13	3,271.43
Credit impaired	204.95	-
	1,758.08	3,271.43
Less : Impairment allowance (allowance for bad and doubtful debts)	(204.95)	-
	1,553.13	3,271.43

Note : There are no trade receivables which are due from directors or other officers of the Company either severally or jointly. Trade

Standalone Notes to Financial Statements

for the year ended March 31, 2024

receivables comprise of receivable due from related parties as mentioned in Annexure A of Note 41. For terms and conditions relating to related party receivables, refer Annexure A of Note 41.

Trade receivables are non-interest bearing and are generally on terms of 15 - 45 days.

Trade receivables ageing schedule

₹ In Lakhs

Particulars	As at March 31, 2024						
	Outstanding periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables- considered good	1,080.96	22.58	32.59	417.00	-	-	1,553.13
(ii) Undisputed trade receivables- credit impaired	-	-	204.95	-	-	-	204.95
(iii) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(iv) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Less : Impairment allowance (allowance for bad and doubtful debts)	-	-	(204.95)	-	-	-	(204.95)
Total	1,080.96	22.58	32.59	417.00	-	-	1,553.13

₹ In Lakhs

Particulars	As at March 31, 2023						
	Outstanding periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables- considered good	2,656.98	614.45	-	-	-	-	3,271.43
(ii) Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-
(iii) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(iv) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Less : Impairment allowance (allowance for bad and doubtful debts)	-	-	-	-	-	-	-
Total	2,656.98	614.45	-	-	-	-	3,271.43

NOTE 11

CASH AND CASH EQUIVALENTS

₹ In Lakhs

	As at March 31, 2024	As at March 31, 2023
Balances with banks		
In current accounts	505.99	58.14
Cash on hand	0.32	0.22
	506.31	58.36

Standalone Notes to Financial Statements

for the year ended March 31, 2024

Changes in liabilities arising from financing activities

₹ In Lakhs

Particulars	Balance as at April 01, 2023	Cash flows	Other	Balance as at March 31, 2024	Balance as at April 01, 2022	Cash flows	Other	Balance as at March 31, 2023
Current borrowings	5.10	4,694.90	-	4,700.00	7,500.00	(7,494.90)	-	5.10
Lease Liabilities	1,562.43	(258.90)	(380.22)	923.31	421.37	(286.79)	1,427.85	1,562.43

NOTE 12

BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS (CURRENT)

₹ In Lakhs

	As at March 31, 2024	As at March 31, 2023
Deposit accounts		
Fixed deposits with bank	15,000.00	11,099.00
Earmarked balances with banks		
Share application money refund account	-	0.21
	15,000.00	11,099.21

NOTE 13

LOANS (CURRENT)

₹ In Lakhs

	As at March 31, 2024	As at March 31, 2023
Loans and advances to employees		
Unsecured, considered good	22.17	53.90
	22.17	53.90

The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person.

NOTE 14

OTHER FINANCIAL ASSETS (CURRENT)

₹ In Lakhs

	As at March 31, 2024	As at March 31, 2023
Interest accrued on fixed deposits (unsecured, considered good)	1,404.73	63.29
Unbilled revenue (Refer Note 44)	287.12	351.62
IGST refund receivable *	249.93	217.65
Other receivable	125.23	1.56
	2,067.01	634.12

* The Company has IGST refund receivable. The Company was previously including these refund with balances with government authority under other assets (current). However, based on review of commonly prevailing practices, the management considers it to be more relevant if IGST refund receivable are presented under other financial assets (current) in the balance sheet. Prior year comparatives as at March 31, 2024 have been restated by reclassifying ₹ 217.66 Lakhs from balance with government authority appearing under the head "Other Assets (Current)" to "Other Financial Assets (Current)".

Standalone Notes to Financial Statements

for the year ended March 31, 2024

NOTE 15

OTHER ASSETS (CURRENT)

₹ In Lakhs

	As at March 31, 2024	As at March 31, 2023
Prepaid expenses	428.15	332.79
Advances for supply of goods and services (considered good)	142.71	106.58
Balances with government authorities*	4,741.14	849.95
	5,312.00	1,289.32

*Includes balances of Goods and Services Tax and amount paid under protest

NOTE 16

EQUITY SHARE CAPITAL

	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount ₹ In Lakhs	Number of shares	Amount ₹ In Lakhs
Authorised				
Opening balance (Equity shares of ₹ 1 each)	42,50,00,000	4,250.00	42,50,00,000	4,250.00
Closing balance (Equity shares of ₹ 1 each)	42,50,00,000	4,250.00	42,50,00,000	4,250.00
Issued, subscribed and fully paid up				
Equity shares of ₹ 1 each*	32,45,21,588	3,245.30	27,18,78,966	2,718.87
Add : Shares issued against conversion of warrants (Refer note iv)	-	-	5,26,42,622	526.43
	32,45,21,588	3,245.30	32,45,21,588	3,245.30

*Consequent to forfeiture of 12,537 equity shares in prior years and on receipt of unpaid amount thereon, the paid-up share capital of the Company have increased by ₹ 0.08 Lakhs.

Disclosures relating to share capital

i Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares and declares and pays dividend in Indian Rupees. The equity shares of the Company, having par value of ₹ 1/- per share, rank pari passu in all respects including voting rights and entitlement to dividend. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company on pro-rata basis. The distribution will be in proportion to the number of equity shares held by the shareholders.

ii Equity shares held by each shareholder holding more than 5% equity shares in the Company are as follows :

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of Equity shares held	% of Holding	No. of Equity shares held	% of Holding
Dilip Shantilal Shanghvi	6,18,10,660	19.05%	6,18,10,660	19.05%
Shanghvi Finance Private Limited	13,72,11,787	42.28%	13,72,11,787	42.28%

Standalone Notes to Financial Statements

for the year ended March 31, 2024

iii Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year.

	As at March 31, 2024		As at March 31, 2023	
	No. of Equity shares held	Amount ₹ in Lakhs	No. of Equity shares held	Amount ₹ in Lakhs
Opening balance	32,45,21,588	3,245.30	27,18,78,966	2,718.87
Add : Shares issued against conversion of warrants (Refer note iv)	-	-	5,26,42,622	526.43
Closing balance	32,45,21,588	3,245.30	32,45,21,588	3,245.30

- iv On July 08, 2021, the Company had allotted 6,24,74,082 warrants, each convertible into one equity share, on preferential basis at an issue price of ₹ 178 each, upon receipt of 25% of the issue price (i.e. ₹ 44.50 per warrant) as warrant subscription money. Balance 75% of the issue price (i.e. ₹ 133.50 per warrant) was payable within 18 months from the allotment date, at the time of exercising the option to apply for fully paid-up equity share of ₹ 1 each of the Company, against each warrant held by the warrant holder.

During the financial year ended March 31, 2022, the Company upon receipt of balance 75% of the issue price (i.e. ₹ 133.50 per warrant) for 98,31,460 warrants, had allotted equal number of fully paid up equity shares against conversion of said warrants exercised by the warrant holder(s). During the previous financial year, for the remaining 5,26,42,622 warrants, the respective allottees had exercised their option for conversion/exchange the warrants into/for equity shares and accordingly, the Company had allotted equal number of fully paid up equity shares against conversion of said warrants exercised by the warrant holder(s).

- v No equity share has been allotted as fully paid up bonus shares and / bought back during the period of five years immediately preceding the date at which the balance sheet is prepared.

vi Details of shares held by promoters

As at March 31, 2024

Sr. No.	Equity shares held by promoters / members of promoter group / person acting in concert	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 at the end of the year	% change during the year
1	Mr. Dilip Shantilal Shanghvi	6,18,10,660	-	6,18,10,660	19.05	-
2	Shanghvi Finance Private Limited	13,72,11,787	-	13,72,11,787	42.28	-
3	Mr. Sudhir V. Valia	18,33,951	-	18,33,951	0.57	-
4	Mrs. Vibha Dilip Shanghvi	10,63,236	-	10,63,236	0.33	-
5	Mr. Aalok Dilip Shanghvi	3,50,162	-	3,50,162	0.11	-
6	Ms. Vidhi Dilip Shanghvi	3,44,081	-	3,44,081	0.11	-
7	Mrs. Kumud S. Shanghvi	38,795	-	38,795	0.01	-
8	Shanghvi Family & Friends Benefit Trust (Kumud S. Shanghvi and Dilip S. Shanghvi)	1,54,922	-	1,54,922	0.05	-
9	Mrs. Raksha S. Valia	41,45,231	-	41,45,231	1.28	-
10	Unimed Investments Limited	12,67,963	-	12,67,963	0.39	-
11	Flamboyawer Finance Private Limited	2,543	-	2,543	0.00	-
12	Sanghvi Properties Private Limited	1,887	-	1,887	0.00	-
13	Gujarat Sun Pharmaceutical Industries Private Limited	1,751	-	1,751	0.00	-
14	Aditya Medisales Limited	48,88,126	-	48,88,126	1.51	-
	Total	21,31,15,095	-	21,31,15,095	65.67	-

Standalone Notes to Financial Statements

for the year ended March 31, 2024

As at March 31, 2023

Sr. No.	Equity shares held by promoters / members of promoter group / person acting in concert	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 at the end of the year	% change during the year
1	Mr. Dilip Shantilal Shanghvi	3,65,29,761	2,52,80,899	6,18,10,660	19.05	5.61
2	Shanghvi Finance Private Limited	13,72,11,787	-	13,72,11,787	42.28	(8.19)
3	Mr. Sudhir V. Valia	18,33,951	-	18,33,951	0.57	(0.11)
4	Mrs. Vibha Dilip Shanghvi	10,63,236	-	10,63,236	0.33	(0.06)
5	Mr. Aalok Dilip Shanghvi	3,50,162	-	3,50,162	0.11	(0.02)
6	Ms. Vidhi Dilip Shanghvi	3,44,081	-	3,44,081	0.11	(0.02)
7	Mrs. Kumud S. Shanghvi	38,795	-	38,795	0.01	(0.00)
8	Shanghvi Family & Friends Benefit Trust (Kumud S. Shanghvi and Dilip S. Shanghvi)	1,54,922	-	1,54,922	0.05	(0.01)
9	Mrs. Raksha S. Valia	41,45,231	-	41,45,231	1.28	(0.25)
10	Unimed Investments Limited	12,67,963	-	12,67,963	0.39	(0.08)
11	Flamboyawer Finance Private Limited	2,543	-	2,543	0.00	(0.00)
12	Sanghvi Properties Private Limited	1,887	-	1,887	0.00	(0.00)
13	Gujarat Sun Pharmaceutical Industries Private Limited	1,751	-	1,751	0.00	(0.00)
14	Aditya Medisales Limited	48,88,126	-	48,88,126	1.51	(0.29)
	Total	18,78,34,196	2,52,80,899	21,31,15,095	65.67	(3.42)

NOTE 17

OTHER EQUITY

₹ In Lakhs

	As at March 31, 2024	As at March 31, 2023
A Securities premium		
Opening balance	2,03,815.89	1,10,638.45
Add: Premium on issue of equity shares against conversion of warrants [Refer Note 16(iv)]	-	70,277.90
Add : Transferred from money received against share warrants	-	22,899.54
	2,03,815.89	2,03,815.89
B General reserve	3,397.66	3,397.66
C Money received against share warrants		
Opening balance	-	23,425.97
Less : Transfer to equity share capital and securities premium	-	(23,425.97)
	-	-
D Retained earnings		
Opening balance	(1,59,181.34)	(1,37,058.38)
Add : Loss for the year	(38,810.52)	(22,258.35)
Add : Actuarial gain on remeasurement of defined benefit plan	18.74	135.39
	(1,97,973.12)	(1,59,181.34)
Total (A+B+C+D)	9,240.43	48,032.21

Standalone Notes to Financial Statements

for the year ended March 31, 2024

Nature and purpose of each reserve

Securities premium - The amount received in excess of face value of the equity shares is recognised in securities premium. This would be utilised in accordance with the provisions of the Companies Act, 2013.

General reserve - The reserve arises on transfer portion on the net profit pursuant to the earlier provisions of the Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013. The Company can use this reserve for payment of dividend and issue of fully paid-up and not paid-up bonus shares.

Retained earnings - Retained earnings are created from the profit/loss of the Company, as adjusted for distributions to owners, transfers to other reserves, etc.

NOTE 18

LEASE LIABILITIES (NON-CURRENT)

₹ In Lakhs

	As at March 31, 2024	As at March 31, 2023
Lease liability (Refer Note 39)	721.19	1,262.00
	721.19	1,262.00

NOTE 18a

OTHER FINANCIAL LIABILITIES (NON-CURRENT)

₹ In Lakhs

	As at March 31, 2024	As at March 31, 2023
Other non-current financial liabilities	83.37	-
	83.37	-

NOTE 19

PROVISIONS (NON-CURRENT)

₹ In Lakhs

	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Compensated absences	604.75	700.62
Gratuity (Refer Note 43)	-	113.18
	604.75	813.80

NOTE 20

OTHER LIABILITIES (NON-CURRENT)

₹ In Lakhs

	As at March 31, 2024	As at March 31, 2023
Deferred revenue (Refer Note 44)	10,349.43	11,764.73
	10,349.43	11,764.73

Standalone Notes to Financial Statements

for the year ended March 31, 2024

Movement of deferred revenue

₹ In Lakhs

Particulars	Opening balance	Addition during the year	Deletion during the year	Closing balance
As at March 31, 2024	11,764.73	-	1,415.30	10,349.43
As at March 31, 2023	6,684.50	5,080.23	-	11,764.73

NOTE 21

BORROWINGS (CURRENT)

₹ In Lakhs

	As at March 31, 2024	As at March 31, 2023
Temporary Bank Overdraft (Secured)*	-	5.10
Secured working capital loan		
Kotak Mahindra Bank Limited		
Working capital loan from bank (secured)*#	4,700.00	-
	4,700.00	5.10

* The Company has availed working capital facilities from Kotak Mahindra Bank Limited on the basis of security of current assets. However, the Company is not required to file quarterly statement with the bank. Further, the Company has availed working capital facilities from ICICI Bank Limited on the basis of security of current assets. The Company has filed the quarterly statement with bank till quarter ended September 2023, post which waiver was received from bank for such filing.

Quarter	Name of the Bank	Particulars of Securities provided	Amount as per books of accounts	Amount as reported in the quarterly return / statement	Amount of difference	Reason for material discrepancies
June 2023	ICICI Bank Limited	Trade receivables	2,595.21	2,595.21	-	N.A.
September 2023	ICICI Bank Limited	Trade receivables	3,170.19	3,170.19	-	

Working capital demand loan carries an interest rate of @ 8.45% p.a and is secured by Corporate Guarantee given by Shanghvi Finance Private Limited and charge on all existing and future current assets.

NOTE 22

LEASE LIABILITIES (CURRENT)

₹ In Lakhs

	As at March 31, 2024	As at March 31, 2023
Lease liability (Refer Note 39)	202.12	300.43
	202.12	300.43

Standalone Notes to Financial Statements

for the year ended March 31, 2024

NOTE 23

TRADE PAYABLES

₹ In Lakhs

	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro and small enterprises (Refer Note 38)	105.78	220.54
Total outstanding dues of creditors other than micro and small enterprises*	14,875.80	14,604.79
	14,981.58	14,825.33

Note : Trade payables comprises of payables due to directors and related parties as mentioned in Annexure A of Note 41.

Trade payables are non interest bearing and are generally on terms of 30 - 90 days.

* During the year ended March 31, 2023, the Company had paused the development of SCO-120 program due to changing clinical landscape. Pursuant to this, the Company had made provision for committed costs for this program estimated amounting to ₹2,700 lakhs payable to Sun Pharmaceutical Industries Limited. During the current financial year, basis the final settlement, the Company reversed an excess provision of ₹ 324 lakhs.

Trade payable ageing schedule

₹ In Lakhs

Particulars	As at March 31, 2024						Total
	Outstanding periods from due date of payment						
	Unbilled dues	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Micro and small enterprises	41.26	32.52	31.60	0.05	0.35	-	105.78
(ii) Others	4,842.97	3,471.59	6,513.37	33.61	4.18	10.08	14,875.80
(iii) Disputed dues - Micro and small enterprises	-	-	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-	-	-
Total	4,884.23	3,504.11	6,544.97	33.66	4.53	10.08	14,981.58

Trade payable ageing schedule

₹ In Lakhs

Particulars	As at March 31, 2023						Total
	Outstanding periods from due date of payment						
	Unbilled dues	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Micro and small enterprises	164.92	30.70	24.19	0.73	-	-	220.54
(ii) Others	8,671.09	2,941.45	2,981.63	-	3.99	6.63	14,604.79
(iii) Disputed dues - Micro and small enterprises	-	-	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-	-	-
Total	8,836.01	2,972.15	3,005.82	0.73	3.99	6.63	14,825.33

NOTE 24

OTHER FINANCIAL LIABILITIES (CURRENT)

₹ In Lakhs

	As at March 31, 2024	As at March 31, 2023
Interest accrued but not due on borrowings	7.11	-
Payable on purchase of property, plant and equipment	141.52	60.24
Payable to employees	820.05	1,109.86
Unclaimed excess share application money	-	0.21
Other financial liability	6.76	2.77
Amount refundable to customers	1,668.20	-
	2,643.64	1,173.08

Standalone Notes to Financial Statements

for the year ended March 31, 2024

NOTE 25

OTHER LIABILITIES (CURRENT)

	As at March 31, 2024	As at March 31, 2023
Statutory remittances	1,506.41	941.13
Advances from customers (Refer Note 44)	0.03	0.11
	1,506.44	941.24

₹ In Lakhs

NOTE 26

PROVISIONS (CURRENT)

	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Compensated absences	334.00	348.53
Gratuity (Refer Note 43)	21.07	300.86
	355.07	649.39

₹ In Lakhs

NOTE 27

REVENUE FROM OPERATIONS

	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from contracts with customers		
Sale of services (Refer Note 44)		
Licence fees	76.17	12,713.21
Royalty on technology	5,873.36	9,180.68
R&D services	1,605.00	1,984.12
	7,554.53	23,878.01

₹ In Lakhs

NOTE 28

OTHER INCOME

	Year ended March 31, 2024	Year ended March 31, 2023
Interest income on:		
Deposits with banks	1,728.67	478.58
Loans to employees	0.86	1.28
Others (includes refund from government authorities)	818.06	279.68
	2,547.59	759.54
Net gain on sale of financial assets measured at fair value through profit or loss	317.91	208.06
Net gain arising on financial assets measured at fair value through profit or loss	0.14	118.46
	318.05	326.52

₹ In Lakhs

Standalone Notes to Financial Statements

for the year ended March 31, 2024

₹ In Lakhs

	Year ended March 31, 2024	Year ended March 31, 2023
Net gain on disposal of property, plant and equipment	6.02	-
Net gain on derecognition of Right to use assets	52.17	-
Miscellaneous income	23.10	1.68
	2,946.93	1,087.74

NOTE 29

COST OF MATERIALS CONSUMED

₹ In Lakhs

	Year ended March 31, 2024	Year ended March 31, 2023
Materials consumed	2,813.10	2,211.08
	2,813.10	2,211.08

NOTE 30

EMPLOYEE BENEFITS EXPENSE

₹ In Lakhs

	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus	10,788.53	9,756.36
Contribution to provident and other funds*	683.76	632.76
Staff welfare expenses	380.89	310.70
	11,853.18	10,699.82

* includes gratuity expense of ₹ 179.47 Lakhs (Previous year: ₹ 197.24 Lakhs)

NOTE 31

FINANCE COSTS

₹ In Lakhs

	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense on:		
Borrowings	15.69	714.58
Lease liabilities (Refer Note 39)	97.84	48.89
Corporate guarantee commission	50.00	-
Unwinding of discount on provision	1.99	-
	165.52	763.47

Standalone Notes to Financial Statements

for the year ended March 31, 2024

NOTE 32

OTHER EXPENSES

₹ In Lakhs

	Year ended March 31, 2024	Year ended March 31, 2023
Consumption of stores and spare parts	630.45	515.60
Power and fuel	614.03	575.03
Rent (Refer Note 39)	25.08	-
Rates and taxes	12.93	13.64
Insurance	120.02	75.94
Repairs and maintenance	830.77	621.30
Printing and stationery	16.70	16.47
Travelling and conveyance	402.59	388.43
License and fees	278.16	130.36
Communication expenses	41.67	39.89
Loss on sale/write-off of property, plant & equipment (net)	-	11.29
Net loss on foreign currency transactions	289.91	206.90
Payment to auditor		
For statutory audit	23.02	20.92
For limited review	8.92	8.00
For certification services	1.00	1.00
For reimbursement	5.66	3.90
Contract labour expenses	444.35	356.95
Membership fees and subscription	62.28	50.09
Software expenses	817.89	846.10
Staff recruitment expenses	205.49	80.81
Provision for doubtful debt	204.95	-
Miscellaneous expenses	207.70	268.79
	5,243.57	4,231.41

NOTE 33

CATEGORIES OF FINANCIAL INSTRUMENTS

₹ In Lakhs

Particulars	As at March 31, 2024			As at March 31, 2023		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial assets						
Investments in mutual funds	180.13	-	-	9,550.44	-	-
Investment in certificate of deposits	-	-	-	-	-	19,539.49
Loans and advances to employees	-	-	22.17	-	-	53.90
Security deposits	-	-	46.91	-	-	45.91
Trade receivables	-	-	1,553.13	-	-	3,271.43
Cash and cash equivalents	-	-	506.31	-	-	58.36
Bank balances other than cash and cash equivalent	-	-	15,000.00	-	-	26,099.21
Interest accrued on fixed deposit	-	-	1,404.73	-	-	293.22
Unbilled revenue	-	-	287.12	-	-	351.62
Other receivables	-	-	2,877.16	-	-	2,684.31
Total	180.13	-	21,697.53	9,550.44	-	52,397.45

Standalone Notes to Financial Statements

for the year ended March 31, 2024

₹ In Lakhs

Particulars	As at March 31, 2024			As at March 31, 2023		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial liabilities						
Borrowings	-	-	4,700.00	-	-	5.10
Interest accrued but not due on borrowings	-	-	7.11	-	-	-
Trade payables	-	-	14,981.58	-	-	14,825.33
Payables on purchase of property, plant and equipment	-	-	141.52	-	-	60.24
Unclaimed excess share application money	-	-	-	-	-	0.21
Lease liabilities	-	-	923.31	-	-	1,562.43
Payable to employees	-	-	820.05	-	-	1,109.86
Other payables	-	-	1,758.33	-	-	2.77
Total	-	-	23,331.90	-	-	17,565.94

NOTE 34

FAIR VALUE HIERARCHY

The carrying value and fair value of financial instruments by categories as at balance sheet date were as follows:

₹ In Lakhs

Particulars	Carrying Value		Fair Value	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Financial assets:				
Investments in mutual fund - quoted	180.13	9,550.44	180.13	9,550.44
Investments in certificate of deposits - unquoted	-	19,539.49	-	19,539.49
Total	180.13	29,089.93	180.13	29,089.93

The management assessed that cash and cash equivalents, bank balance other than cash and cash equivalents, trade receivables, loans, trade payables, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Financial assets and liabilities measured at fair value on a recurring basis at the end of each reporting period

₹ In Lakhs

Particulars	As at March 31, 2024			As at March 31, 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets at FVTPL						
Investments in mutual funds	180.13	-	-	9,550.44	-	-
Financial assets at amortised cost						
Investment in certificate of deposits	-	-	-	-	19,539.49	-
Total	180.13	-	-	9,550.44	19,539.49	-

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Standalone Notes to Financial Statements

for the year ended March 31, 2024

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

There were no transfers between Level 1 and 2 during the years ended March 31, 2024 and March 31, 2023.

NOTE 35

CAPITAL MANAGEMENT

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern (Refer Note 49); and
- to provide an adequate return to shareholders through optimisation of debts and equity balance.

The Company monitors capital on the basis of the carrying amount of debt less cash and cash equivalents as presented on the face of the financial statements. The Company's objective for capital management is to maintain an optimum overall financial structure.

Net debt equity ratio

₹ In Lakhs

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Debt (includes borrowings and lease liabilities)	5,623.31	1,567.53
Less : cash and cash equivalents	506.31	58.36
Net debt	5,117.00	1,509.17
Total equity (including reserves)	12,485.73	51,277.51
Net debt to total equity ratio	0.41	0.03

NOTE 36

FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's risk management assessment, policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment, management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and investments. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counterparty to which the Company grants credit terms in the normal course of business.

Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counterparties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Standalone Notes to Financial Statements

for the year ended March 31, 2024

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company has unutilised working capital lines from banks and financial institutions of ₹ **37,800 Lakhs** as on March 31, 2024 (Previous year : ₹ 42,494.90 Lakhs)

The table below provides details regarding the contractual maturities of significant financial liabilities based on the contractual undiscounted payments :

₹ In Lakhs

Particulars	As at March 31, 2024				As at March 31, 2023			
	Less than 1 year	1 - 3 years	More than 3 years	Total	Less than 1 year	1 - 3 years	More than 3 years	Total
Non derivative								
Borrowings	4,700.00	-	-	4,700.00	5.10	-	-	5.10
Lease liabilities	278.68	555.97	272.80	1,107.45	397.37	804.08	631.46	1,832.91
Trade payables	14,981.58	-	-	14,981.58	14,825.33	-	-	14,825.33
Other financial liabilities	2,643.64	11.65	71.72	2,727.01	1,173.08	-	-	1,173.08
Total	22,603.90	567.62	344.52	23,516.04	16,400.88	804.08	631.46	17,836.42

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include investments. The Company has designed risk management frame work to control various risks effectively to achieve the business objectives. This includes identification of risk, its assessment, control and monitoring at timely intervals.

Foreign exchange risk

The Company's foreign exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in US Dollars and Euros). As a result, if the value of the Indian Rupee fluctuates relative to these foreign currencies, the Company's revenues and expenses measured in Indian Rupees may fluctuate. The exchange rate between the Indian Rupee and these foreign currencies have changed substantially in recent periods and may continue to fluctuate substantially in the future.

a) Significant foreign currency risk exposure relating to trade receivables other receivable and trade payables

₹ In Lakhs

Particulars	As at March 31, 2024				As at March 31, 2023			
	US Dollars - equivalent INR	Euro - equivalent INR	Others - equivalent INR	Total - equivalent INR	US Dollars - equivalent INR	Euro - equivalent INR	Others - equivalent INR	Total - equivalent INR
Financial assets								
Trade receivables	479.75	-	-	479.75	615.53	-	-	615.53
Unbilled revenue	-	-	-	-	116.81	-	-	116.81
Other receivables	2,502.00	-	-	2,502.00	2,465.10	-	-	2,465.10
Cash and cash equivalents	376.78	-	-	376.78	7.08	-	-	7.08
Financial liabilities								
Trade payables	13,372.84	433.67	80.00	13,886.51	10,497.28	226.62	150.60	10,874.50
Other financial liability	1,758.06	-	-	1,758.06	-	-	-	-

Standalone Notes to Financial Statements

for the year ended March 31, 2024

b) Sensitivity

For the years ended March 31, 2024 and March 31, 2023, every 5% strengthening in the exchange rate between the Indian Rupee and the respective currencies for the above mentioned financial assets / liabilities would decrease the Company's loss and increase the Company's equity by approximately ₹ **614.30 Lakhs** and ₹ 383.50 Lakhs respectively. A 5% weakening of the Indian rupee and the respective currencies would lead to an equal but opposite effect.

Interest rate risk

The Company has no loan facilities on floating interest rate, which exposes the Company to risk of changes in interest rates. The Company's exposure to interest rate risk is not significant.

Commodity rate risk

The Company being in the business of Research & Development, does not face any significant Commodity Price Risk.

NOTE 37

LOSS PER SHARE

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Loss for the year (₹ in Lakhs)	(38,810.52)	(22,258.35)
Weighted average number of shares used in computing basic and diluted loss per share	32,45,21,588	28,46,95,959
Nominal / face value per share (in H)	1.00	1.00
Basic and diluted loss per share (in H)	(11.96)	(7.82)

NOTE 38

DISCLOSURES UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

- a) The principal amount remaining unpaid as at March 31, 2024 in respect of enterprises covered under the "Micro, Small and Medium Enterprises Development Act, 2006" (MSMED) is ₹ **105.78 Lakhs** (Previous year : ₹ 220.54 Lakhs).
- b) There are no amounts of interest paid/due/payable during the year/previous year/succeeding year. Also, there is no amount of interest accrued and remaining unpaid at the end of current accounting year/previous accounting year.
- c) The list of undertakings covered under MSMED was determined by the Company on the basis of information available with the Company and has been relied upon by auditors.

NOTE 39

LEASES

Right-of-use (ROU assets)

Particulars	₹ In Lakhs Amount
At cost or deemed cost	
As at April 1, 2022	855.31
Additions	1,390.70
Disposals	(458.23)
As at March 31, 2023	1,787.78

Standalone Notes to Financial Statements

for the year ended March 31, 2024

₹ In Lakhs

Particulars	Amount
Additions	146.07
Disposals	(693.84)
As at March 31, 2024	1,240.01
Accumulated depreciation	
As at April 1, 2022	486.27
Depreciation expenses	278.21
Eliminated on disposals of assets	(458.23)
As at March 31, 2023	306.25
Depreciation expenses	295.68
Eliminated on disposals of assets	(219.72)
As at March 31, 2024	382.21
Carrying amounts (Refer Note 3a)	
As at March 31, 2023	1,481.53
As at March 31, 2024	857.80

Lease liability

Below are the carrying amounts of lease liabilities recognised and the movements during the period:

₹ In Lakhs

Particulars	Amount
As at April 1, 2022	421.37
Accretion of interest	48.89
Addition during the year	1,390.70
Addition / (deletion) due to foreign exchange loss / (gain)	37.15
Payments towards lease liability	(335.68)
As at March 31, 2023	1,562.43
Accretion of interest	97.84
Addition during the year	146.07
Deletion during the year	(526.29)
Payments towards lease liability	(356.74)
As at March 31, 2024	923.31
Lease liabilities (non-current) (Refer Note 18)	
Lease liability	721.19
Lease liabilities (Current) (Refer Note 22)	
Lease liability	202.12
Total lease liability	923.31

Lease liabilities - maturity analysis - contractual undiscounted cash flows

₹ In Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Not later than one year	278.68	397.37
Later than one year and not later than five years	828.77	1,435.54
Later than five years	-	-
Amounts recognised in statement of profit and loss		
Interest on lease liabilities	97.84	48.89
Foreign exchange losses / (gain)	-	37.15
Depreciation on right-to-use assets	295.68	278.21

Annual lease costs on short term leases and low value asset leases amounted to ₹ **25.08 Lakhs** in the year ended March 31, 2024
(Previous year : Nil)

Standalone Notes to Financial Statements

for the year ended March 31, 2024

NOTE 40

SEGMENT REPORTING

i. Primary segment

The Company has identified "Pharmaceuticals Research and Development" which as per Ind AS 108 - "operating segment" is considered the only reportable business segment.

Particulars	₹ In Lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
ii. Secondary segment		
Revenue by geography		
Within India	7,490.13	10,706.03
Outside India	64.40	13,171.98
Total revenue from operations	7,554.53	23,878.01

[The Company does not have any customer (other than related parties), with whom revenue from transactions is more than 10% of Company's total revenue. (Refer Annexure A of Note 41)]

NOTE 41

RELATED PARTY DISCLOSURE

Disclosure with respect to Ind AS 24 on "Related Party Disclosures" is as per Annexure - "A" annexed.

NOTE 42

CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

Particulars	₹ In Lakhs	
	As at March 31, 2024	As at March 31, 2023
i. Contingent liabilities		
a) Guarantees given by the bankers against custom licenses	0.50	0.50
b) Disputed demands by Income tax authorities* (gross)	8,848.45	8,848.45
c) Disputed demands by Service tax authorities** (gross)	5,190.17	5,190.17
* Amount paid under protest is classified under income tax assets (Refer Note 7)	5,509.63	5,509.63
**Amount paid under protest is classified under other current assets (Refer Note 15)	172.65	172.65
Note: includes, interest till the date of demand, wherever applicable.		

Future cash outflows in respect of the above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities. The Company does not expect the outcome of the matters stated above to have material adverse impact on the Company's financial condition, results of operation or cash flows.

Particulars	₹ In Lakhs	
	As at March 31, 2024	As at March 31, 2023
ii. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)*	33,898.79	26,189.53

iii. For commitments relating to lease arrangement. (Refer Note 39)

* The Company is committed to pay milestone payments on a contract, however obligation to pay is contingent upon fulfilment of contractual obligation by parties to the contract.

Standalone Notes to Financial Statements

for the year ended March 31, 2024

NOTE 43

EMPLOYEE BENEFIT PLANS

Defined contribution plan

Contributions are made to Regional Provident Fund (RPF), Family Pension Fund, Employees State Insurance Scheme (ESIC) and other funds which covers all regular employees. While both the employees and the Company make predetermined contributions to the Provident Fund and ESIC, contribution to the Family Pension Fund and other statutory funds are made only by the Company. The contributions are normally based on a certain percentage of the employee's salary. Amount recognised as expense in respect of these defined contribution plans, aggregate to ₹ **448.73 Lakhs** (Previous year : ₹ 418.00 Lakhs).

₹ In Lakhs

Particulars	Year ended	Year ended
	March 31, 2024	March 31, 2023
Contribution to Provident Fund and Family Pension Fund	445.28	414.47
Contribution to ESIC and Employees Deposit Linked Insurance (EDLI)	3.41	3.50
Contribution to Labour Welfare Fund	0.04	0.03

Defined benefit plan

a) Gratuity

In respect of Gratuity, a defined benefit plan, contributions are made to LIC's Recognised Group Gratuity Fund Scheme. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination age. Provision for gratuity is based on actuarial valuation done by an independent actuary as at the year end. Each year, the Company reviews the level of funding in gratuity fund. The Company decides its contribution based on the results of its annual review. The Company aims to keep annual contributions relatively stable at a level such that the fund assets meets the requirements of gratuity payments in short to medium term.

b) Other long term benefit plan

Actuarial valuation for compensated absences is done as at the year end and the provision is made as per Company rules with corresponding charge to the statement of profit and loss amounting to ₹ **126.61 Lakhs** (Previous year : ₹ 279.38 Lakhs) and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation.

Obligation in respect of defined benefit plan and other long term employee benefit plans are actuarially determined as at the year end using the 'Projected Unit Credit' method. Gains and losses on changes in actuarial assumptions relating to defined benefit obligation are recognised in other comprehensive income whereas gains and losses in respect of other long term employee benefit plans are recognised in the statement of profit and loss.

₹ In Lakhs

Particulars	Gratuity (Funded)	
	Year ended	Year ended
	March 31, 2024	March 31, 2023
I. Reconciliation of liability/(asset) recognised in the balance sheet		
Present value of obligation at the end of the year	1,993.30	2,153.62
Fair value of plan assets at the end of the year	(1,972.23)	(1,739.58)
Net liability recognised in the financial statement	21.07	414.04
II. Movement in net liability / (asset) recognised in the balance sheet		
Net liability / (assets) as at beginning of the year	414.04	448.42
Net expense recognised in the statement of profit and loss	179.47	197.24
Net expense / (gain) recognised in other comprehensive income	(18.74)	(135.39)
Net (liability) / asset transfer out	(21.28)	-

Standalone Notes to Financial Statements

for the year ended March 31, 2024

₹ In Lakhs

Particulars	Gratuity (Funded)	
	Year ended March 31, 2024	Year ended March 31, 2023
Contribution during the year	(215.69)	(96.23)
Benefit paid by the employer	(316.73)	-
Net liability / (asset) as at the end of the year (Refer Note 19 and 26)	21.07	414.04
III. Net interest cost for the current year		
Interest cost	157.84	140.12
Interest income	(127.40)	(108.91)
Net interest cost for the current year	30.44	31.21
IV. Expense recognised in the statement of profit and loss		
Current service cost	149.03	166.03
Net interest cost for the current year	30.44	31.21
Expense charged to the statement of profit and loss	179.47	197.24
V. Expense recognised in the other comprehensive income (OCI)		
Actuarial (gains) / losses on obligation for the year	(4.50)	(129.47)
Return on plan assets excluding interest income	(14.24)	(5.92)
Net expenses/ (income) recognised in the OCI	(18.74)	(135.39)
VI. Return on plan assets		
Expected return on plan assets	127.40	108.91
Actuarial gain	14.24	5.92
Actual return on plan assets	141.64	114.83
VII. Reconciliation of defined-benefit obligations		
Obligation as at the beginning of the year	2,153.62	2,019.97
Current service cost	149.03	166.03
Liability transfer out	(21.28)	-
Interest cost	157.84	140.12
Benefits paid	(124.68)	(43.03)
Benefit paid by the employer	(316.73)	-
Actuarial (gain) / loss arising from changes in financial assumptions	15.23	(38.61)
Actuarial (gain) / loss arising from demographic assumptions	-	(90.17)
Actuarial (gain) / loss arising from changes in experience adjustments	(19.73)	(0.69)
Obligation as at the end of the year	1,993.30	2,153.62
VIII. Reconciliation of plan assets		
Plan assets as at the beginning of the year	1,739.58	1,571.55
Expected return on plan assets	127.40	108.91
Actuarial gain on plan assets	14.24	5.92
Employer's contribution during the year	215.69	96.23
Benefits paid	(124.68)	(43.03)
Plan assets as at the year end	1,972.23	1,739.58
IX. Actuarial assumptions		
Discount rate	7.19%	7.35%
Expected return on plan assets	7.19%	7.35%
Expected rate of salary increase	10.00%	10.00%
Mortality	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
Attrition rate	12% p.a.	12% p.a.
Retirement age (years)	60-67 years	60-67 years
X. Investment details		
Insurance fund	1,972.23	1,739.58

Standalone Notes to Financial Statements

for the year ended March 31, 2024

₹ In Lakhs

Particulars	Gratuity (Funded)	
	Year ended March 31, 2024	Year ended March 31, 2023
XI. Sensitivity analysis for significant assumptions :		
Benefit obligation as at the end of the year	1,993.30	2,153.62
Increase / (decrease) in the present value of benefit obligation as at the end of the year:		
Delta effect of +1% change in rate of discounting	(91.21)	(92.29)
Delta effect of -1% change in rate of discounting	101.27	102.22
Delta effect of +1% change in rate of salary increase	97.62	98.69
Delta effect of -1% change in rate of salary increase	(89.77)	(90.96)
Delta effect of +1% change in rate of employee turnover	(16.45)	(15.39)
Delta effect of -1% change in rate of employee turnover	17.90	16.75
XII. Maturity analysis of projected benefit obligation		
Projected benefits payable in future years from the date of reporting		
1st following year	393.30	440.96
2nd following year	197.28	200.89
3rd following year	182.36	349.60
4th following year	274.26	173.05
5th following year	232.69	249.66
Sum of years 6 to 10	768.34	873.07
Sum of Years 11 and above	1,019.19	978.74

Salary escalation rate

The estimates of future salary increases take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Basis used to determine rate of return on plan assets

The rate of return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

The contribution expected to be made by the Company for gratuity in next financial year ending March 31, 2025 ₹ **165.10 Lakhs** (Previous year : ₹ 300.87 Lakhs).

NOTE 44

REVENUE FROM CONTRACT WITH CUSTOMERS:

₹ In Lakhs

Particulars	Revenue from contract with customers	
	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from contract with customers	7,554.53	23,878.01

Standalone Notes to Financial Statements

for the year ended March 31, 2024

Particulars	₹ In Lakhs	
	As at March 31, 2024	As at March 31, 2023
Trade receivables (Refer Note 10)	1,553.13	3,271.43
Contract assets (Refer Note 14)	287.12	351.62
Contract liabilities (Refer Note 20 and 25)	10,349.46	11,764.84

Contract balance of Trade receivable, Contract assets and Contract liabilities as on April 1, 2022 were ₹ 2,773.61 Lakhs, ₹ 282.86 Lakhs and ₹ 6,687.42 Lakhs respectively.

Contract assets are initially recognised for revenue from sale of goods. Contract liabilities are on account of the upfront revenue received from customer for which performance obligation has not yet been completed. The performance obligation is satisfied when control of the goods or services are transferred to the customers based on the contractual terms. Payment terms with customers vary depending upon the contractual terms of each contract.

NOTE 45

USE OF ESTIMATES AND JUDGEMENTS

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- 1 Provisions [Refer Note 19 and 26]
- 2 Contingent liabilities [Refer Note 42]
- 3 Financial risk management [Refer Note 36]
- 4 Revenue [Refer Note 27 and 44]

NOTE 46

The Company does not have any transactions and balances with companies which are struck off except shares held by 9 shareholders holding 4,801 shares (Previous year : 9 shareholders holding 4,801 shares) having face value of ₹ 1 per share.

NOTE 47

RATIO ANALYSIS AND ITS ESTIMATES

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% change
Current ratio (Refer Note 47.1)	Current assets	Current liabilities	1.01	2.54	-60%
Debt- Equity Ratio (Refer Note 47.2)	Total debt + lease liability (Non-current and current borrowings)	Total equity	0.45	0.03	1373%
Debt Service Coverage Ratio (Refer Note 47.3)	Earnings for debt service = Loss for the year + Non-cash operating expenses	Debt service = Interest and lease payments + Principal repayments	(7.32)	(0.66)	1009%

Standalone Notes to Financial Statements

for the year ended March 31, 2024

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% change
Return on Equity ratio (Refer Note 47.3)	Loss for the year	Average shareholder's equity	(121.73%)	(81.83%)	-49%
Inventory Turnover ratio (Refer Note 47.4)	Not applicable	Not applicable	-	-	-
Trade Receivable Turnover Ratio (Refer Note 47.5)	Revenue from operations	Average trade receivable	3.13	7.90	-60%
Trade Payable Turnover Ratio (Refer Note 47.6)	Cost of materials consumed and Clinical trial expenses	Average trade payable	0.87	1.56	-44%
Net Capital Turnover Ratio (Refer Note 47.7)	Revenue from operations	Working capital = Current assets - Current liabilities	29.99	0.87	3367%
Net loss ratio (Refer Note 47.5)	Loss for the year	Revenue from operations	(5.14)	(0.93)	-451%
Return on Capital Employed (Refer Note 47.3)	Loss before interest and taxes	Capital employed = Tangible net worth + Total debt + Lease liability	(279.27%)	(42.73%)	553%
Return on Investment (Refer Note 47.8)	Income from investment	Average investment	8.14%	2.86%	185%

Note 47.1 Decrease in current ratio is due to cash losses during the year.

Note 47.2 Increase in debt equity ratio is due to increase in borrowings due to cash losses during the year.

Note 47.3 Debt service coverage ratio/Return on equity ratio/Return on capital employed is negative since the Company has incurred losses in the current year and previous year.

Note 47.4 The Company does not have inventory and hence, this ratio is not applicable.

Note 47.5 Decrease in trade receivable turnover ratio / net loss ratio is due to decrease in revenue and receivables from customers.

Note 47.6 Decrease in trade payable turnover ratio is due to lower clinical expenses in current year.

Note 47.7 Increase in Net capital turnover ratio is due to decrease in revenue from operations and working capital in the current year.

Note 47.8 Increase in Return on investment ratio is due to higher investment income in current year.

NOTE 48

OTHER STATUTORY INFORMATION

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- (ii) The Company has not been declared as wilful defaulter.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- (v) The Company has not advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds to any other person or entity, including foreign entities (Intermediaries) with the understanding, (whether recorded in writing or otherwise) that the Intermediary shall:

Standalone Notes to Financial Statements

for the year ended March 31, 2024

- (a) 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
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Company has not received any funds from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
 - (a) 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
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company does not have any such transaction which is 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.
- (viii) The Company does not have any scheme of arrangements during the year.

NOTE 49

The Company has incurred cash losses in past years and in the current year. The Company is subject to risks common to companies in the pharmaceutical research and development industry, including, but not limited to, risks of failure or unsatisfactory results of nonclinical studies and clinical trials, the need to obtain additional financing to fund the future development of its pipeline, the need to obtain marketing approval for its product candidates, the need to successfully commercialize its product candidates, development by competitors of technological innovations etc.

Based on the Company's operating plan, management believes that its current cash, cash equivalents, available-for-sale investments and unutilized credit limits from banks (which are guaranteed by its Promoter Group Entity) and by its promoter group entity will allow the Company to meet its upcoming liquidity requirements and continue to fund work on its existing portfolio of research assets and new research. The Company also plans to monetise some of these assets in the future and is exploring various options, including collaborations, sale etc.

Further, the Company has also received a financial support letter from its Promoter Group Entity to ensure its status as "Going Concern" and the continuance of its operations, as and when required.

NOTE 50a

On March 01, 2023, the Company disclosed an information security incident that impacted some of the Company's IT assets. The Company promptly took steps to contain and remediate the impact of the information security incident, including employing appropriate containment protocols to mitigate the threat, employing enhanced security measures and utilizing global cyber security experts to ensure the integrity of the Company's IT systems' infrastructure and data. As part of the containment measures, the Company proactively isolated its network and initiated recovery procedures. As a result of these measures, certain business operations were also impacted.

The Company has since strengthened its cybersecurity infrastructure and implemented improvements to its cyber and data security systems to safeguard against such risks in the future. The Company is also implementing certain long-term measures to augment its security controls systems across the organization. The Company worked with legal counsel across relevant jurisdictions to notify applicable regulatory and data protection authorities, where considered required, and the Company believes there is no material legal non-compliance by the Company on account of the information security incident. The Company believes that all known impacts on its standalone financial statements on account of this incident have been considered.

Standalone Notes to Financial Statements

for the year ended March 31, 2024

NOTE 50b

The Company considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Company due to both physical and transition risks. Even though the Company believes its business model will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Company is closely monitoring relevant changes and developments, such as new climate-related legislation.

NOTE 51

- a) The Company maintains its books of account in electronic mode and these books of accounts are accessible in India at all times. However, due to the cyber incident (Refer Note 50a) in the previous year, the back-up of books of account was not taken on server physically located in India on a daily basis from April 01, 2023 to June 05, 2023 but were taken on an external device in India. The daily back up from June 06, 2023 to March 31, 2024 were taken on servers physically located in India.
- b) The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled at the database level insofar as it relates to accounting software. However, the Company has internal controls in place for unauthorized changes at database level. Further no instance of audit trail feature being tampered with was noted in respect of the accounting software.

NOTE 52

The date of implementation of the Code on Wages 2019 and the Code on Social Security, 2020 is yet to be notified by the Government. The Company will assess the impact of these Codes and give effect in the subsequent financial statements when the Rules/Schemes thereunder are notified.

As per our report of even date
For S R B C & CO LLP
 Chartered Accountants
 ICAI Firm Registration No : 324982E/E300003

For and on behalf of the Board of Directors of
SUN PHARMA ADVANCED RESEARCH COMPANY LIMITED

ANIL RAGHAVAN
 Chief Executive Officer
 Place : New Jersey, U.S.A.

DILIP S. SHANGHVI
 Chairman
 DIN: 00005588
 Place : Mumbai

per AMIT SINGH
 Partner
 Membership No. 408869

CHETAN M. RAJPARA
 Chief Financial Officer
 Place : London, U.K.

SUDHIR V. VALIA
 Director
 DIN: 00005561
 Place : Mumbai

Place : Mumbai
 Date : May 24, 2024

KAJAL K. DAMANIA
 Company Secretary
 Place : Mumbai

Date : May 24, 2024

Standalone Notes to Financial Statements

for the year ended March 31, 2024

Annexure "A"

Indian Accounting Standard (Ind AS-24) " Related Party Disclosures "

Names of related parties and description of relationship

1. Key Management Personnel

Dilip S. Shanghvi	Chairman & Non-Executive Director
Sudhir V. Valia	Non Executive Director
Rajamannar Thennati	Non-Executive Director
Bhavna Doshi	Independent Director
Ferzaan Engineer	Independent Director
Robert Jay Spiegel	Independent Director
Anil Raghavan	Chief Executive Officer

2. Subsidiary Company

SPARCLIFE Inc.

3. Enterprises under significant influence/are controlled by Key Management Personnel (with whom transactions are entered)

PV Power Technologies Pvt. Ltd.	Sun Pharmaceutical Industries Europe BV
Spiegel Consulting LLC	Sun Pharmaceutical Industries Inc.
Shanghvi Finance Private Limited (Ceased to be the holding company w.e.f. January 6, 2023)	Sun Pharmaceutical Industries Limited
Shree Nagardas Dhanaji Shanghvi Trust - Sudarshan Netralaya	Taro Pharmaceuticals Industries Limited
Sun Pharmaceutical Medicare Limited	Taro Pharmaceuticals U.S.A., Inc.
Sun Pharma Laboratories Limited	Terapia S.A.

1. Transaction with Key Management Personnel (KMP)

Particulars	₹ In Lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
Director sitting fees		
Dilip S. Shanghvi	3.90	3.30
Sudhir V. Valia	6.00	6.90
Bhavna Doshi	6.60	6.30
Rajamannar Thennati	3.00	3.60
Ferzaan Engineer	6.30	5.40
Robert Jay Spiegel	6.30	5.40
Issue of equity shares against conversion of warrants		
Dilip S. Shanghvi	-	33,750.00
Remuneration		
Anil Raghavan	696.08	501.67

Key Management Personnel (KMP) who is under the employment of the Company is entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits.' As these employee benefits are lump sum amount provided on the basis of actuarial valuation, the same is not included above.

Standalone Notes to Financial Statements

for the year ended March 31, 2024

2. Subsidiary Company

₹ In Lakhs

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
SPARCLIFE Inc.		
Investment in subsidiary	41.69	-
Receiving of research and development services	2,694.27	-
Reimbursement of expenses paid	22.19	-

3. Transaction with Enterprises under significant influence of / are controlled by Key Management Personnel

₹ In Lakhs

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
PV Power Technologies Pvt. Ltd.		
Purchase of property, plant and equipment	-	6.35
Spiegel Consulting LLC		
Professional fees	41.70	41.09
Shree Nagardas Dhanaji Shanghvi Trust - Sudarshan Netralaya		
Sale of Fixed Assets	1.74	-
Shanghvi Finance Private Limited		
Commission on corporate guarantee	50.00	-
Sun Pharma Laboratories Limited		
Sale of services - License fees / Royalty on technology / R&D services	2,817.29	5,371.40
Purchase of goods	1.07	1.57
Sun Pharmaceutical Industries Europe BV		
Receiving of research and development services	518.42	107.20
Reimbursement of expenses paid	11.92	61.42
Sun Pharmaceutical Industries Inc.		
Sale of services - License fees / Royalty on technology / R&D services	62.50	12,399.26
Deferred revenue	-	4,089.63
Reimbursement of expenses paid	156.67	382.48
Receiving of research and development services	6,693.12	7,819.00
Purchase of goods	-	1.43
Sun Pharmaceutical Industries Limited		
Sale of services - License fees / Royalty on technology / R&D services	4,672.85	5,334.63
Purchase of goods	372.31	478.42
Purchase of property, plant and equipment	-	37.84
Payment of lease liabilities	272.87	209.23
Receiving of research and development services	177.75	81.57
Product development cost	2,375.50	-
Sale of property, plant and equipment	-	25.39
Reimbursement of expenses paid	365.78	238.74
Reimbursement of expenses received	9.03	19.09
Sun Pharmaceutical Medicare Limited		
Purchase of goods	1.52	0.20
Reimbursement of expenses paid	-	0.81
Taro Pharmaceuticals Industries Limited		
Sale of services - R&D services	1.90	18.37
Taro Pharmaceuticals U.S.A., Inc.		
Payment of lease liabilities	116.63	126.45
Terapia S.A.		
Receiving of services	106.43	-

Standalone Notes to Financial Statements

for the year ended March 31, 2024

Balances outstanding - receivable / (payable)

₹ In Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Rajamannar Thennati	-	(0.54)
Sudhir V. Valia	-	(0.54)
Bhavna Doshi	(0.27)	-
Ferzaan Nariman Engineer	(0.34)	-
Robert Jay Spiegel	(0.21)	-
Shanghvi Finance Pvt Ltd.	(47.50)	-
SPARCLIFE Inc.	(964.95)	-
Spiegel Consulting LLC	(83.41)	(41.09)
Sun Pharma Laboratories Limited	231.19	1,709.03
Sun Pharmaceutical Industries Europe BV	(421.37)	(168.03)
Sun Pharmaceutical Industries Inc.	(5,348.84)	(4,035.54)
Sun Pharmaceutical Industries Limited	842.06	946.87
Sun Pharmaceutical Medicare Limited	(1.52)	-
Taro Pharmaceuticals Industries Limited	-	1.08
Taro Pharmaceuticals U.S.A., Inc.	(78.71)	(38.01)
Terapia S.A.	(96.02)	-

Terms and condition of transactions with related parties.

The sale of services to related parties are made on terms equivalent to those that prevail in arms length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related parties receivables or payables.

* The Company has an outstanding corporate guarantee from Shanghvi Finance Private Limited amounting to ₹ 20,000 Lakhs as at March 31, 2024 (Previous year : ₹ 20,000 Lakhs). Refer Note 21.

Consolidated Financial Statements



Independent Auditor's Report

To the Members of **Sun Pharma Advanced Research Company Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Sun Pharma Advanced Research Company Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the consolidated Balance Sheet as at March 31, 2024, 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 notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2024, their consolidated loss including other comprehensive income, their consolidated cash flows and the consolidated statement of 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), as specified under section 143(10) of the Act. Our responsibilities under those

Standards are further described in the 'Auditor's Responsibilities 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 for the financial year ended March 31, 2024. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
<p>Revenue recognition (as described in note 27 of the consolidated financial statements)</p> <p>The Group is engaged in the business of Research and Development of pharmaceutical products. The Group has various contractual arrangements with customers which are entered into at various stages of research and development. The Group recognizes revenue based on the contractual terms and performance obligations with customers. Some of these arrangements involve judgments which may impact the manner and timing of revenue recognition.</p> <p>Considering that contractual arrangements with customers involve judgments which may impact the manner and timing of revenue recognition, revenue recognition is considered as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> • Read the accounting policy for revenue recognition of the Group and assessed compliance with the principles enunciated under Ind AS 115. • Evaluated the design and tested the operating effectiveness of management's controls in respect of revenue recognition. • Obtained a sample of contracts and reviewed the terms of the arrangements to determine whether the work performed under the contract qualified for revenue recognition having regard to the performance obligations under the contracts. • Assessed the disclosures in the accompanying consolidated financial statements.
<p>Evaluation of direct tax and indirect tax litigations (as described in note 42 of the consolidated financial statements)</p> <p>The Group has material direct tax and indirect tax litigations which involve significant judgment to determine the possible outcome of these disputes and accordingly it is considered as key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> • Evaluated the design and tested the operating effectiveness of controls in respect of the identification and evaluation of tax litigations and the recording and reassessment of the related liabilities and provisions and disclosures. • Obtained list of ongoing tax litigations from management along with their assessment of the cases based on past precedents, judgements and matters in the jurisdiction, legal opinions sought by management, correspondences with tax department etc. • Engaged tax specialists, to evaluate management's assessment of the outcome of these litigations. Our specialists considered legal precedence and other rulings in evaluating management's position on these tax litigations. • Assessed the disclosures in the accompanying consolidated financial statements.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis Report, Business Responsibility and Sustainability Report and Board's Report, but does not include the consolidated financial statements and our auditor's report thereon. The Management Discussion and Analysis Report, Business Responsibility and Sustainability Report and Board's Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income,

consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

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

Auditor's Responsibilities 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 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 Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 of which we are the independent auditors and whose financial information we have audited, 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 included in the consolidated financial statements of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entity 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 for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.
 2. As required by Section 143(3) of the Act, 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 have been kept by the Holding Company so far as it appears from our examination of those books except,
 - (i) for the matters stated in the paragraph i(vi) below on reporting under Rule 11(g).
 - (ii) the backup of books of accounts were not kept on the servers physically located in India on a daily basis from April 01, 2023 to June 05, 2023 as described in note 52(a) of consolidated financial statements.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the 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 Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2024 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 of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) Based on the information and explanations provided to us and based on our examination of books of accounts, the Holding Company has not accrued / paid any managerial remuneration to its directors. Accordingly, the provision of section 197 read with Schedule V to the Act are not applicable.
 - (h) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph b above on reporting under Section 143(3)(b) and paragraph i(vi) below on reporting under Rule 11(g).
 - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated financial statements – Refer note 42 to the consolidated financial statements;
 - ii. The Group, did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2024;
 - iii. There were no amounts which were required to be transferred to the Investor Education and

Protection Fund by the Holding Company during the year ended March 31, 2024.

- iv. a) The management of the Holding Company have represented to us that, to the best of its knowledge and belief, and read with note 48 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 Holding Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management of the Holding Company have represented to us that, to the best of its knowledge and belief, and read with note 48 to the consolidated financial statements, no funds have been received by the Holding Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether, 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; and

- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v. No dividend has been declared or paid during the year by the Holding Company.
- vi. Based on our examination which included test checks, the Holding Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for direct changes to data when using certain access rights, as described in note 52(b) to the consolidated financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where such audit trail has been enabled.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Amit Singh**

Partner

Membership Number: 408869

UDIN: 24408869BKBTQI6497

Place of Signature: Mumbai

Date: May 24, 2024

Annexure 1 referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date

Re: Sun Pharma Advanced Research Company Limited (the “Company”)

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

(xxi) Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated Ind AS financial statements are:

Name	CIN	Nature of Relationship	Clause number of the CARO report which is qualified or is adverse
Sun Pharma Advanced Research Company Limited	L73100GJ2006PLC047837	Holding Company	i(c)

For **SRBC & COLLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Amit Singh**

Partner

Membership Number: 408869

UDIN: 24408869BKBTQI6497

Place of Signature: Mumbai

Date: May 24, 2024

Annexure 2 to the Independent Auditor's Report of even date on the consolidated financial statements of Sun Pharma Advanced Research Company Limited

Report on the Internal Financial Controls 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 Sun Pharma Advanced Research Company Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. 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 is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls 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.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Amit Singh**

Partner

Membership Number: 408869

UDIN: 24408869BKBTQI6497

Place of Signature: Mumbai

Date: May 24, 2024

Opinion

In our opinion, the Holding Company has maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Consolidated Balance Sheet

as at March 31, 2024

(₹ in Lakh)

	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
(A) Non-current assets			
(a) Property, plant and equipment	3a	10,734.74	10,540.70
(b) Capital work-in-progress	3b	126.86	187.34
(c) Other intangible assets	3c	18.56	34.17
(d) Intangible assets under development	3d	4,252.63	2,512.65
(e) Financial assets			
(i) Bank balances other than cash and cash equivalents	4	-	15,000.00
(ii) Other financial assets	5	2,548.91	2,740.94
(f) Deferred tax assets (net)	6	126.17	-
(g) Income tax assets (net)	7	6,677.96	6,259.78
(h) Other non-current assets	8	79.83	240.76
Total non-current assets (A)		24,565.66	37,516.34
(B) Current assets			
(a) Financial assets			
(i) Investments	9	180.13	29,089.93
(ii) Trade receivables	10	1,553.13	3,271.43
(iii) Cash and cash equivalents	11	532.95	58.36
(iv) Bank balances other than cash and cash equivalents	12	15,000.00	11,099.21
(v) Loans	13	22.17	53.90
(vi) Other financial assets	14	4,279.28	634.12
(b) Other current assets	15	5,370.90	1,289.32
Total current assets (B)		26,938.56	45,496.27
TOTAL ASSETS (A + B)		51,504.22	83,012.61
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	3,245.30	3,245.30
(b) Other equity	17	9,330.24	48,032.21
Total equity		12,575.54	51,277.51
Liabilities			
(A) Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	18	1,066.09	1,262.00
(ii) Other financial liabilities	18a	402.63	-
(b) Provisions	19	604.75	813.80
(c) Other non-current liabilities	20	10,349.43	11,764.73
Total non-current liabilities (A)		12,422.90	13,840.53
(B) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	4,700.00	5.10
(ia) Lease liabilities	22	349.01	300.43
(ii) Trade payables	23		
Total outstanding dues of micro enterprises and small enterprises		105.78	220.54
Total outstanding dues of creditors other than micro enterprises and small enterprises		14,123.37	14,604.79
(iii) Other financial liabilities	24	4,332.14	1,173.08
(b) Other current liabilities	25	1,506.44	941.24
(c) Provisions	26	1,224.38	649.39
(d) Current tax liabilities (Net)	26a	164.66	-
Total current liabilities (B)		26,505.78	17,894.57
Total liabilities (A + B)		38,928.68	31,735.10
TOTAL EQUITY AND LIABILITIES		51,504.22	83,012.61
Material accounting policies	2		

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

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No : 324982E/E300003

For and on behalf of the Board of Directors of

SUN PHARMA ADVANCED RESEARCH COMPANY LIMITED
ANIL RAGHAVAN

 Chief Executive Officer
 Place : New Jersey, U.S.A.

DILIP S. SHANGHVI

 Chairman
 DIN: 00005588
 Place : Mumbai

per AMIT SINGH

Partner

Membership No. 408869

CHETAN M. RAJPARA

 Chief Financial Officer
 Place : London, U.K.

SUDHIR V. VALIA

 Director
 DIN: 00005561
 Place : Mumbai

KAJAL K. DAMANIA

 Company Secretary
 Place : Mumbai

Date : May 24, 2024

Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

(₹ in Lakh)

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
(I) Revenue from operations	27 & 44	7,554.53	23,878.01
(II) Other income	28	2,946.93	1,087.74
(III) Total income (I + II)		10,501.46	24,965.75
(IV) Expenses			
Cost of materials consumed	29	2,813.10	2,211.08
Employee benefits expense	30	14,183.94	10,699.82
Clinical trial expenses / products development expense		10,135.04	14,946.97
Professional charges		15,245.50	13,194.27
Finance costs	31	169.46	763.47
Depreciation and amortisation expense	3a & 3c	1,251.05	1,177.08
Other expenses	32	5,386.56	4,231.41
Total expenses (IV)		49,184.65	47,224.10
(V) Loss before tax (III - IV)		(38,683.19)	(22,258.35)
(VI) Tax expense			
Current Tax		163.42	-
Deferred Tax		(125.22)	-
Total Tax expenses (VI)	32a	38.20	-
(VII) Loss for the year (V - VI)		(38,721.39)	(22,258.35)
(VIII) Other comprehensive income (OCI)			
A) Items that will not be reclassified to profit or loss			
i. Gain on remeasurement of the defined benefit plans		18.74	135.39
B) Items that may be reclassified to profit or loss			
i. Gain on translating the financial statements of foreign operations		0.68	-
Total other comprehensive income (VIII)		19.42	135.39
(IX) Total comprehensive loss for the year (VII + VIII)		(38,701.97)	(22,122.96)
(X) Loss per equity share	37		
(Face value ₹ 1/- per equity share)			
Basic and Diluted (in ₹)		(11.93)	(7.82)
Material accounting policies	2		

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

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No : 324982E/E300003

For and on behalf of the Board of Directors of

SUN PHARMA ADVANCED RESEARCH COMPANY LIMITED

ANIL RAGHAVAN

Chief Executive Officer

Place : New Jersey, U.S.A.

DILIP S. SHANGHVI

Chairman

DIN: 00005588

Place : Mumbai

per AMIT SINGH

Partner

Membership No. 408869

CHETAN M. RAJPARA

Chief Financial Officer

Place : London, U.K.

SUDHIR V. VALIA

Director

DIN: 00005561

Place : Mumbai

Place : Mumbai

Date : May 24, 2024

KAJAL K. DAMANIA

Company Secretary

Place : Mumbai

Date : May 24, 2024

Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

A Equity share capital

(₹ in Lakh)

	Year ended March 31, 2024	Year ended March 31, 2023
At the beginning of the year	3,245.30	2,718.87
Changes in equity share capital during the year (Refer Note 16)	-	526.43
At the end of the year	3,245.30	3,245.30

B Other equity

(₹ in Lakh)

Particulars	Other Equity					Total
	Reserves and surplus				Other	
	Money received against share warrants	General reserves	Securities premium	Retained earnings	Comprehensive Income Foreign currency translation reserve	
Balance as at April 1, 2022	23,425.97	3,397.66	110,638.45	(1,37,058.38)	-	403.70
Add : Premium on issue of equity shares against conversion of warrants	-	-	70,277.90	-	-	70,277.90
Less : Transfer to equity share capital and securities premium	(23,425.97)	-	22,899.54	-	-	(526.43)
Loss for the year	-	-	-	(22,258.35)	-	(22,258.35)
Other comprehensive income for the year	-	-	-	135.39	-	135.39
Balance as at March 31, 2023	-	3,397.66	2,03,815.89	(1,59,181.34)	-	48,032.21
Loss for the year	-	-	-	(38,721.39)	-	(38,721.39)
Other comprehensive income for the year	-	-	-	18.74	0.68	19.42
Balance as at March 31, 2024	-	3,397.66	2,03,815.89	(1,97,883.99)	0.68	9,330.24

Note : There are no changes in accounting policies and prior period errors during the current and previous year.

Material accounting policies

The accompanying notes are integral part of the consolidated financial statements

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No : 324982E/E300003

For and on behalf of the Board of Directors of

SUN PHARMA ADVANCED RESEARCH COMPANY LIMITED

ANIL RAGHAVAN

Chief Executive Officer

Place : New Jersey, U.S.A.

DILIP S. SHANGHVI

Chairman

DIN: 00005588

Place : Mumbai

per AMIT SINGH

Partner

Membership No. 408869

CHETAN M. RAJPARA

Chief Financial Officer

Place : London, U.K.

SUDHIR V. VALIA

Director

DIN: 00005561

Place : Mumbai

KAJAL K. DAMANIA

Company Secretary

Place : Mumbai

Date : May 24, 2024

Place : Mumbai
Date : May 24, 2024

Consolidated Statement of Cash Flows

for the year ended March 31, 2024

(₹ in Lakh)

	Year ended March 31, 2024	Year ended March 31, 2023
A. Cash flow from operating activities		
Loss before tax	(38,683.19)	(22,258.35)
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation and amortisation expense	1,251.05	1,177.08
(Gain) / Loss on disposal of property, plant and equipment (net)	(6.02)	11.29
Gain on derecognition of Right to use assets	(52.17)	-
Finance costs	169.46	763.47
Interest income	(2,546.73)	(758.26)
Net gain on sale of financial assets measured at fair value through profit or loss	(317.91)	(208.06)
Net gain arising on financial assets measured at fair value through profit or loss	(0.14)	(118.46)
Net unrealised foreign exchange (gain) / loss	206.32	(167.81)
Provision for doubtful debt	204.95	-
Operating loss before working capital changes	(39,774.38)	(21,559.10)
Working capital adjustments :		
(Increase) / decrease in trade receivables	1,521.44	(500.63)
(Increase) / decrease in other assets	(6,308.98)	1,040.56
Increase / (decrease) in trade payables	(589.01)	7,666.79
Increase / (decrease) in other liabilities	2,265.07	5,648.36
Increase / (decrease) in provisions	378.11	255.73
Cash used in operations	(42,507.75)	(7,448.29)
Direct tax (paid) / refund received (including interest on refunds) (net)	(411.08)	536.50
Net cash used in operating activities (A)	(42,918.83)	(6,911.79)
B. Cash flow from investing activities		
Payments for purchase of property, plant and equipment (including capital work-in-progress, intangible assets and intangible assets under development)	(2,650.79)	(1,538.67)
Proceeds from disposal of property, plant and equipment (net)	48.52	46.54
Disposal / (Purchase) of investments (net)	28,418.78	(27,423.61)
Bank balances not considered as cash and cash equivalents		
Fixed deposits with bank placed	(2,500.00)	(78,099.00)
Fixed deposits with bank matured	13,599.00	52,000.00
Interest received	2,237.19	186.95

Consolidated Statement of Cash Flows

for the year ended March 31, 2024

	Year ended March 31, 2024	Year ended March 31, 2023
	(₹ in Lakh)	
Net cash generated / (used in) investing activities (B)	39,152.71	(54,827.80)
C. Cash flow from financing activities		
Proceeds from borrowings	6,441.22	22,453.67
Repayment of borrowings	(1,746.32)	(29,948.57)
Repayment of principal portion of lease liabilities	(294.03)	(286.79)
Proceeds from issue of equity shares (on conversion of warrants)	-	70,277.90
Finance costs (including interest on lease liabilities)	(160.36)	(820.68)
Net cash generated in financing activities (C)	4,240.51	61,675.53
Net increase / (decrease) in cash and cash equivalents (A+B+C)	474.39	(64.06)
Cash and cash equivalents at the beginning of the year (Refer Note 11)	58.36	122.42
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	0.20	-
Cash and cash equivalents at the end of the year (Refer Note 11)	532.95	58.36
Cash and cash equivalents comprises of		
Balances with banks		
In current accounts	532.63	58.14
Cash on hand	0.32	0.22
Cash and cash equivalents (Refer Note 11)	532.95	58.36
Material accounting policies	2	

The accompanying notes are integral part of the consolidated financial statements

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No : 324982E/E300003

For and on behalf of the Board of Directors of

SUN PHARMA ADVANCED RESEARCH COMPANY LIMITED
ANIL RAGHAVAN

Chief Executive Officer

Place : New Jersey, U.S.A.

DILIP S. SHANGHVI

Chairman

DIN: 00005588

Place : Mumbai

per AMIT SINGH

Partner

Membership No. 408869

CHETAN M. RAJPARA

Chief Financial Officer

Place : London, U.K.

SUDHIR V. VALIA

Director

DIN: 00005561

Place : Mumbai

Place : Mumbai

Date : May 24, 2024

KAJAL K. DAMANIA

Company Secretary

Place : Mumbai

Date : May 24, 2024

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

1. Corporate Information

Sun Pharma Advanced Research Company Limited (SPARC or the "Parent Company") (CIN L73100GJ2006PLC047837) is a public limited company incorporated and domiciled in India and has its listing on the BSE Limited and National Stock Exchange of India Limited. The registered office is located at Plot No. 5 & 6/1, Savli, G. I. D. C. Estate, Manjusar, Vadodara – 391 775. The parent company is incorporated under the provisions of Companies Act, as applicable in India. The parent company and its subsidiary (hereinafter referred to as the "Company" or the "Group") are engaged in the business of research and development (R&D) of pharmaceutical products.

The consolidated financial statements were approved for issue in accordance with the resolution of the Board of Directors on May 24, 2024.

2. Material accounting policies

2.1 Basis of preparation and presentation

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirement of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis, except for : (i) certain financial instruments that are measured at fair values at the end of each reporting period (ii) non-current assets classified as held for sale which are measured at the lower of their carrying amount and fair value less costs to sell and (iii) defined benefit plans – plan assets that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The Group has prepared the financial statement on the basis that it will continue to operate as a going concern.

The financial statements are prepared in INR and all values are rounded to the nearest lakhs upto two decimals, except when otherwise stated. The Group has consistently applied the following accounting policies to all periods presented in these financial statements.

For the purpose of these consolidated financial statements, previous year means the financial year ended March 31, 2023.

a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiary as disclosed in Note 49. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-Group balances, transactions including unrealised gain / loss from such transactions and cash flows relating to transactions between members of the Group are eliminated upon consolidation. The carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary are also eliminated. These financial statements are prepared by applying uniform accounting policies in use at the Group.

b) Current versus non-current classification

All assets and liabilities, other than deferred tax assets and liabilities, have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Act. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Group has ascertained its normal operating cycle as 12 months for current and non-current classification of assets and liabilities.

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

c) Foreign currencies

The Group's financial statements are presented in INR, which is also the Parent Company's functional currency.

Transactions and balances

In preparing the financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are translated at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous period are recognised in statement of profit and loss in the period in which they arise.

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

Foreign operations

For the purposes of presenting these consolidated financial statements, the assets and liabilities of Group's foreign operation, are translated to the Indian Rupees at exchange rates at the end of each reporting period. The income and expenses of such foreign operations are translated at the average exchange rates for the period. Resulting foreign currency differences are recognised in other comprehensive income and presented within equity as part of Foreign Currency Translation Reserve (and attributed to non-controlling interests as appropriate). When a foreign operation is disposed off, the relevant amount in the Foreign Currency Translation Reserve is reclassified to profit or loss.

d) Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

e) Segment reporting

Based on the "Management Approach" as defined in Ind AS 108 - Operating Segment, the Chief Operating Decision Maker (CODM) of the Group is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the CODM. Operating segments are reported in a manner consistent with the internal reporting provided to the CODM.

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole.

f) Property, plant and equipment

Items of property, plant and equipment and other intangible assets are stated in consolidated balance sheet at cost net of accumulated depreciation and accumulated impairment losses, if any. Cost directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by the management. Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. All other repairs and maintenance cost are recognised in the consolidated statement of profit and loss account as incurred.

Depreciation is calculated on a straight line basis over the estimated useful life of the assets as follows:

Asset category	No. of years
Buildings	60
Plant and equipment	3-25
Vehicles	5
Office equipment	2-5
Furniture and fixtures	10

The Group, based on technical assessment made by technical experts and management estimate, depreciates certain items plant and equipment, office equipment, vehicle over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflects fair approximation of the period over which the assets are likely to be used. Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

g) Intangible assets

Intangible assets that are acquired by the Group and that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any. Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate.

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

Software for internal use, which is primarily acquired from third-party vendors, including consultancy charges for implementing the software, is capitalised. Subsequent costs are charged to the consolidated statement of profit and loss as incurred. The capitalised costs are amortised over the estimated useful life of the software i.e. 5 years.

h) Research and development cost

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised as an expense when incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

The expenditure to be capitalised include the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in consolidated statement of profit and loss as incurred.

Procurement of research and development materials are issued directly for consumption to the user department and disclosed under cost of materials consumed.

Acquired research and development intangible assets which are under development, are recognised as In-Process Research and Development assets ("IPR&D"). IPR&D assets are not amortised, but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Any impairment charge on such IPR&D assets is recognised in profit and loss. Intangible assets relating to products under development, other intangible assets not available for use and intangible assets having indefinite useful life are tested for impairment annually, or more frequently when there is an indication that the assets may be impaired.

Derecognition of intangible assets

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Any, gain or loss arising on such de-recognition is recognised in consolidated statement of profit and loss and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as on the date of de-recognition.

i) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. 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 or the cash-generating unit for which the estimates of future cash flows have not been adjusted. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

An impairment loss is recognised in the consolidated statement of profit and loss if the estimated recoverable amount of an asset or its cash generating unit is lower than its carrying amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

j) 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

Initial recognition and measurement-

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date.

Subsequent measurement-

For purposes of subsequent measurement, financial assets are classified in four categories:

- i. Debt instruments measured at amortised cost
- ii. Debt instruments measured at fair value through other comprehensive income (FVTOCI)
- iii. Debt instruments measured at fair value through profit or loss (FVTPL)
- iv. Equity instruments are measured at fair value through other comprehensive income (FVTOCI)

A. Debt instruments

i. **Debt instruments measured at amortised cost** - A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Other Income in the consolidated statement of profit or loss. The losses arising from impairment are recognised in the consolidated statement of profit or loss.

ii. **Debt instruments measured at FVTOCI** - A 'debt instrument' is measured as at FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The contractual terms of the instrument give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognises

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

interest income, impairment losses and reversals and foreign exchange gain or loss in the consolidated statement of profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to consolidated statement of profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

- iii. **Debt instruments measured at FVTPL** - FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

B. Equity instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present subsequent changes in the fair value in OCI. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the consolidated statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The contractual rights to receive cash flows from the asset have expired.
- The Group has transferred its rights to receive contractual cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost
- b) Trade receivables or any contractual right to receive cash or another financial asset

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

c) Loan commitments which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or any contractual right to receive cash or another financial asset.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Financial liabilities and equity instruments-

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments-

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

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in consolidated statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Initial recognition and measurement-

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement-

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at FVTPL.

Financial liabilities at fair value through profit or loss-

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or is designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred principally for the purpose of repurchasing in the near term or on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking. This category also includes derivative entered into by the Group that are not designated and effective as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities subsequently measured at amortised cost-

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost in subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate (EIR) method. Interest expense that is not capitalised as part of costs of an asset is included in the finance costs line item in the consolidated statement of profit or loss.

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

After initial recognition, such financial liabilities are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit or loss.

Derecognition-

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in consolidated statement of profit or loss.

Reclassification of financial assets-

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

k) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Building 3-5 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (i) Impairment of non-financial assets.

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (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). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight line basis over the lease term.

l) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an overflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flow as a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities and contingent assets-

Contingent liability is disclosed for,

- i. Possible obligations which will be confirmed only by future events not wholly within the control of the Group, or
- ii. Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised in the consolidated financial statements unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of benefits is probable, contingent assets are disclosed in consolidated financial statements.

m) Revenue from contracts with customers

Milestone payments and out licensing arrangements

Revenues include amounts derived from product out-licensing agreements. These arrangements typically consist of an initial up-front payment on inception of the license and subsequent payments dependent on achieving certain milestones in accordance with the terms prescribed in the agreement.

Non-refundable up-front license fees received in connection with product out-licensing agreements are recognised at a point in which the Group has no continuing performance obligations. However, in case of continued performance obligations, the Group deferred the non-refundable up-front license fees received in connection with product out-licensing agreements and recognises the same over the period.

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

Milestone payments which are contingent on achieving certain clinical milestones are recognised as revenues either on achievement of such milestones, if the milestones are considered substantive, or over the period the Group has continuing performance obligations, if the milestones are not considered substantive.

Research and development services

Revenue from services rendered, which primarily relate to research and development, is recognised in the consolidated statement of profit and loss as the underlying services are performed.

Royalties

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that economic benefits will flow to the Group and the amount of revenue can be measured reliably). Royalty arrangements that are based on sales and other measures are recognised by reference to the underlying arrangement.

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.

Contract balances

Unbilled receivable

During the end of reporting period, unbilled receivable is recognised for the royalty income, milestone payment or Research and development service on satisfaction of revenue recognition criteria mentioned above but the same is not billed to the customers. Upon billing, the amount recognized as unbilled receivable is reclassified to trade receivables.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

Advance received from customer

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is received or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

n) Employee benefits

Defined benefit plans

The Parent Company operates a defined benefit gratuity plan which requires contribution to be made to a separately administered fund.

The liability in respect of defined benefit plans is calculated using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds. The currency and term of the government bonds shall be consistent with the currency and estimated

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

term of the post-employment benefit obligations. The current service cost of the defined benefit plan, recognised in the statement of profit and loss as employee benefits expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognised in consolidated statement of profit and loss in the period of a plan amendment. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in consolidated statement of profit and loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to OCI in the period in which they arise and is reflected immediately in retained earnings and is not reclassified to consolidated statement of profit and loss.

Short-term and other long-term employee benefits

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

The Group's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value.

Defined contribution plans

The Group's contributions to defined contribution plans are recognised as an expense as and when the services are received from the employees entitling them to the contributions. The Group does not have any obligation other than the contribution made.

o) Borrowing cost

Borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

p) Income tax

Income tax expense consists of current and deferred tax. Income tax expense is recognised in consolidated statement of profit and loss except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI or directly in equity respectively. Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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 is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Accruals for uncertain tax positions require management to make judgments of potential exposures. Accruals for uncertain tax positions are measured using either the most likely amount or the expected value amount depending on which method the entity expects to better predict the resolution of the uncertainty. Tax benefits are not recognised unless the management, based upon its interpretation of applicable laws and regulations and the expectation of how the tax authority will resolve the matter, concludes that such benefits will be accepted by the authorities. Once considered probable of not being accepted, management reviews each material tax benefit and reflects the effect of the uncertainty in determining the related taxable amounts.

q) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

NOTE 3a

PROPERTY, PLANT AND EQUIPMENT

	Lease hold land	Right of use assets*	Buildings*	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
At cost or deemed cost								
As at April 1, 2022	803.50	855.31	3,000.68	7,781.60	399.24	301.44	65.98	13,207.75
Foreign currency translation difference	-	-	-	-	-	-	-	-
Additions	-	1,390.70	35.48	1,099.12	3.30	72.10	13.71	2,614.41
Disposals	-	(458.23)	-	(672.63)	(41.10)	(115.38)	(28.34)	(1,315.68)
As at March 31, 2023	803.50	1,787.78	3,036.16	8,208.09	361.44	258.16	51.35	14,506.48
Foreign currency translation difference	-	3.98	-	-	-	-	-	3.98
Additions	-	669.28	49.36	1,118.43	28.33	62.69	11.47	1,939.56
Disposals	-	(693.84)	-	(66.16)	-	(94.82)	(0.14)	(854.96)
As at March 31, 2024	803.50	1,767.20	3,085.52	9,260.36	389.77	226.03	62.68	15,595.06
Accumulated depreciation								
As at April 1, 2022	38.56	486.27	122.92	3,096.31	122.91	146.50	54.51	4,067.98
Foreign currency translation difference	-	-	-	-	-	-	-	-
Depreciation expenses	10.19	278.21	51.28	717.52	36.77	57.30	4.38	1,155.65
Eliminated on disposals of assets	-	(458.23)	-	(618.92)	(36.98)	(115.38)	(28.34)	(1,257.85)
As at March 31, 2023	48.75	306.25	174.20	3,194.91	122.70	88.42	30.55	3,965.78
Foreign currency translation difference	-	0.29	-	-	-	-	-	0.29
Depreciation expenses	10.19	333.97	51.81	734.28	36.91	58.31	7.12	1,232.59
Eliminated on disposals of assets	-	(219.72)	-	(62.60)	-	(55.88)	(0.14)	(338.34)
As at March 31, 2024	58.94	420.79	226.01	3,866.59	159.61	90.85	37.53	4,860.32
Carrying amounts								
As at March 31, 2023	754.75	1,481.53	2,861.96	5,013.18	238.74	169.74	20.80	10,540.70
As at March 31, 2024	744.56	1,346.41	2,859.51	5,393.77	230.16	135.18	25.15	10,734.74

* Pending registration of one location (Gross carrying amount : ₹ 285.99 Lakhs; Net carrying amount ₹ 190.56)

Refer Note 39.

The Group follows a Cost Model for subsequent measurement of Property, plant and equipment and hence no revaluation is done.

The title deeds of immovable properties (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Group except for the following immovable properties:

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ in Lakhs)	Title deeds 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	Building	285.99	Sun Pharmaceutical Industries Limited	No	March 1, 2007	(**)

Relative here means relative as defined in the Companies Act, 2013.

*Promoter here means promoter as defined in the Companies Act, 2013.

** The building was transferred (pending registration) to the Group pursuant to a scheme of arrangement in the nature of demerger and transfer of Innovative Research and Development business of Sun Pharmaceutical Industries Limited under Section 391 to 394 of the erstwhile Companies Act, 1956 in terms of the approval of the Honourable High Court of Gujarat.

NOTE 3b

CAPITAL WORK-IN-PROGRESS

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Capital work-in-progress (CWIP)	126.86	187.34
	126.86	187.34

Movement of capital work-in-progress

(₹ in Lakh)

Particulars	Opening balance	Addition during the year	Capitalised during the year	Closing balance
As at March 31, 2024	187.34	924.78	985.26	126.86
As at March 31, 2023	372.01	56.00	240.67	187.34

Capital work-in-progress ageing schedule

(₹ in Lakh)

CWIP	As at March 31, 2024				
	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	126.86	-	-	-	126.86
Projects temporarily suspended	-	-	-	-	-

(₹ in Lakh)

CWIP	As at March 31, 2023				
	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	47.69	-	6.61	0.69	54.98
Projects temporarily suspended	0.80	-	131.55	-	132.36

There is no project which is overdue or has exceeded its cost compared to its original plan as at balance sheet date.

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

NOTE 3c

OTHER INTANGIBLE ASSETS

(₹ in Lakh)

	Computer software
At cost or deemed cost	
As at April 1, 2022	107.23
Additions	8.55
Disposals	-
As at March 31, 2023	115.78
Additions	2.85
Disposals	-
As at March 31, 2024	118.63
Accumulated amortisation	
As at April 1, 2022	60.18
Amortisation expenses	21.43
Eliminated on disposals of assets	-
As at March 31, 2023	81.61
Amortisation expenses	18.46
Eliminated on disposals of assets	-
As at March 31, 2024	100.07
Carrying amounts	
As at March 31, 2023	34.17
As at March 31, 2024	18.56

NOTE 3d

INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Intangible assets under development	4,252.63	2,512.65
	4,252.63	2,512.65

Movement of Intangible assets under development

(₹ in Lakh)

Particulars	Opening balance	Addition during the year	Capitalised during the year	Closing balance
As at March 31, 2024	2,512.65	1,739.98	-	4,252.63
As at March 31, 2023	2,264.52	248.13	-	2,512.65

Intangible assets under development ageing schedule

(₹ in Lakh)

Intangible assets under development	As at March 31, 2024				
	Amount in Intangible asset under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1,739.98	248.13	2,264.52	-	4,252.63
Projects temporarily suspended	-	-	-	-	-

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

(₹ in Lakh)					
Intangible assets under development	As at March 31, 2023				
	Amount in Intangible asset under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	248.13	2,264.52	-	-	2,512.65
Projects temporarily suspended	-	-	-	-	-

There is no intangible asset where completion is over due or has exceeded its cost compared to its original plan as at balance sheet date.

NOTE 4

BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS (NON-CURRENT)

(₹ in Lakh)		
	As at March 31, 2024	As at March 31, 2023
Deposit account		
Fixed deposits with bank	-	15,000.00
	-	15,000.00

NOTE 5

OTHER FINANCIAL ASSETS (NON-CURRENT)

(₹ in Lakh)		
	As at March 31, 2024	As at March 31, 2023
Interest accrued on fixed deposits (unsecured, considered good)	-	229.93
Security deposits - unsecured, considered good	46.91	45.91
Other receivables	2,502.00	2,465.10
	2,548.91	2,740.94

NOTE 6

DEFERRED TAX ASSETS (NET)

(₹ in Lakh)				
	As at April 1, 2023	Recognised in profit or loss	Foreign Currency Translation Reserve	As at March 31, 2024
Deferred tax (liabilities) / assets in relation to :				
Difference between written down value of property, plant and equipment and capital work-in-progress as per books of accounts and income tax	(1,781.22)	(231.52)	-	(2,012.74)
Difference in carrying value and tax base of financial assets	(0.04)	(34.45)	-	(34.49)
Allowance for doubtful debts and advances	-	59.68	-	59.68
Expenses claimed for tax purpose on payment basis	426.08	124.88	0.95	551.91

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

(₹ in Lakh)

	As at April 1, 2023	Recognised in profit or loss	Foreign Currency Translation Reserve	As at March 31, 2024
Deferred revenue	2,364.40	-	-	2,364.40
Unabsorbed business losses / capital expenditure (unabsorbed depreciation) (Restricted to the extent of deferred tax liability of the Parent Company on depreciation on account of uncertainty of future taxable income)	(1,009.22)	206.63	-	(802.59)
	-	125.22	0.95	126.17

(₹ in Lakh)

	As at April 1, 2022	Recognised in profit or loss	Foreign Currency Translation Reserve	As at March 31, 2023
Deferred tax (liabilities) / assets in relation to:				
Difference between written down value of property, plant and equipment and capital work-in-progress as per books of accounts and income tax	(1,556.12)	(225.10)	-	(1,781.22)
Difference in carrying value and tax base of financial assets	(0.37)	0.33	-	(0.04)
Expenses claimed for tax purpose on payment basis	393.49	32.59	-	426.08
Deferred revenue	885.04	1,479.36	-	2,364.40
Unabsorbed business losses / capital expenditure (unabsorbed depreciation) (Restricted to the extent of deferred tax liability of the Parent Company on depreciation on account of uncertainty of future taxable income)	277.96	(1,287.18)	-	(1,009.22)
	-	-	-	-

Unrecognised deferred tax assets relate primarily to unabsorbed business losses of the Parent Company, which will expire in 8 years after the year in which they originate as per Income Tax Act, 1961.

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following :

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Tax losses	1,65,516.13	1,28,601.23
Unabsorbed depreciation	22,488.07	20,926.18

NOTE 7

INCOME TAX ASSETS (NET)

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Advance income tax* (Net of provisions)	6,677.96	6,259.78
	6,677.96	6,259.78

* Includes amount paid under protest.

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

NOTE 8

OTHER ASSETS (NON-CURRENT)

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good unless otherwise stated		
Capital advances	42.04	174.74
Prepaid expenses	37.79	66.02
	79.83	240.76

NOTE 9

INVESTMENTS (CURRENT)

	As at March 31, 2024		As at March 31, 2023	
	Quantity (In No.)	Amount (₹ In Lakhs)	Quantity (In No.)	Amount (₹ In Lakhs)
Investments stated at fair value through profit and loss				
Investments in mutual funds				
Quoted*				
DSP Liquidity Fund-Direct Plan-Growth (Face value of ₹10/- each)	-	-	18,246	587.01
DSP Overnight Direct Growth (Face value of ₹10/- each)	14,044	180.13	-	-
ICICI Prudential Liquid Fund-Direct Plan Growth (Face value of ₹100/- each)	-	-	5,04,715	1,681.64
Nippon India Liquid Fund - Direct Plan Growth Plan - Growth Option (LFAGG) (Face value of ₹1,000/- each)	-	-	63,765	3,511.48
UTI Liquid Cash Plan - Direct Plan Growth (Face value of ₹1,000/- each)	-	-	1,02,193	3,770.31
		180.13		9,550.44
Investments stated at amortised cost				
Investments in certificate of deposits (CD)				
Unquoted				
Axis Bank Limited	-	-	500	2,477.21
Bank of Baroda	-	-	500	2,482.50
Canara Bank Ltd.	-	-	500	4,936.26
ICICI Bank Ltd.	-	-	500	2,380.87
Small Industries Development Bank of India	-	-	500	4,843.72
State Bank of India	-	-	500	2,418.93
		-		19,539.49
Aggregate value of investments		180.13		29,089.93

*Investments in mutual funds have been fair valued at closing net asset value (NAV).

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

NOTE 10

TRADE RECEIVABLES

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good (Refer Note 44)	1,553.13	3,271.43
Credit impaired	204.95	-
	1,758.08	3,271.43
Less : Impairment allowance (allowance for bad and doubtful debts)	(204.95)	-
	1,553.13	3,271.43

Note : There are no trade receivables which are due from directors or other officers of the Parent Company either severally or jointly. Trade receivables comprise of receivable due from related parties as mentioned in Annexure A of Note 41. For terms and conditions relating to related party receivables, refer Annexure A of Note 41.

Trade receivables are non-interest bearing and are generally on terms of 15 - 45 days.

Trade receivables ageing schedule

₹ In Lakhs

Particulars	As at March 31, 2024						
	Outstanding periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables- considered good	1,080.96	22.58	32.59	417.00	-	-	1,553.13
(ii) Undisputed trade receivables- credit impaired	-	-	204.95	-	-	-	204.95
(iii) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(iv) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Less : Impairment allowance (allowance for bad and doubtful debts)	-	-	(204.95)	-	-	-	(204.95)
Total	1,080.96	22.58	32.58	417.00	-	-	1,553.12

₹ In Lakhs

Particulars	As at March 31, 2023						
	Outstanding periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables- considered good	2,656.98	614.45	-	-	-	-	3,271.43
(ii) Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-
(iii) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(iv) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Less : Impairment allowance (allowance for bad and doubtful debts)	-	-	-	-	-	-	-
Total	2,656.98	614.45	-	-	-	-	3,271.43

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

NOTE 11

CASH AND CASH EQUIVALENTS

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Balances with banks		
In current accounts	532.63	58.14
Cash on hand	0.32	0.22
	532.95	58.36

Changes in liabilities arising from financing activities

₹ In Lakhs

Particulars	Balance as at April 01, 2023	Cash flows	Foreign currency translation reserve	Other	Balance as at March 31, 2024	Balance as at April 01, 2022	Cash flows	Foreign currency translation reserve	Other	Balance as at March 31, 2023
Current borrowings	5.10	4,694.90	-	-	4,700.00	7,500.00	(7,494.90)	-	-	5.10
Lease Liabilities	1,562.43	(294.03)	3.73	142.97	1,415.10	421.37	(286.79)	-	1,427.85	1,562.43

NOTE 12

BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS (CURRENT)

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Deposit accounts		
Fixed deposits with bank	15,000.00	11,099.00
Earmarked balances with banks		
Share application money refund account	-	0.21
	15,000.00	11,099.21

NOTE 13

LOANS (CURRENT)

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Loans and advances to employees		
Unsecured, considered good	22.17	53.90
	22.17	53.90

The Group has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person.

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

NOTE 14

OTHER FINANCIAL ASSETS (CURRENT)

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Interest accrued on fixed deposits (unsecured, considered good)	1,404.73	63.29
Unbilled revenue (Refer Note 44)	287.12	351.62
IGST refund receivable #	249.93	217.65
Receivables from related party*	2,212.27	-
Other receivable	125.23	1.56
	4,279.28	634.12

* Other receivables from related party is receivable from Sun Pharmaceutical Industries Inc. on account of employee liabilities transferred to SPARCLIFE, Inc. (Refer 'Annexure A' of Note 41)

The Group has IGST refund receivable. The Group was previously including these refund with balances with government authority under other assets (current). However, based on review of commonly prevailing practices, the management considers it to be more relevant if IGST refund receivable are presented under other financial assets (current) in the balance sheet. Prior year comparatives as at March 31, 2024 have been restated by reclassifying INR 217.66 Lakhs from balance with government authority appearing under the head "Other Assets (Current)" to "Other Financial Assets (Current)";

NOTE 15

OTHER ASSETS (CURRENT)

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Prepaid expenses	481.85	332.79
Advances for supply of goods and services (considered good)	147.92	106.58
Balances with government authorities*	4,741.13	849.95
	5,370.90	1,289.32

*Includes balances of Goods and Services Tax and amount paid under protest

NOTE 16

EQUITY SHARE CAPITAL

	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount ₹ In Lakhs	Number of shares	Amount ₹ In Lakhs
Authorised				
Opening balance (Equity shares of ₹ 1 each)	42,50,00,000	4,250.00	42,50,00,000	4,250.00
Closing balance (Equity shares of ₹ 1 each)	42,50,00,000	4,250.00	42,50,00,000	4,250.00
Issued, subscribed and fully paid up				
Equity shares of ₹ 1 each*	32,45,21,588	3,245.30	27,18,78,966	2,718.87
Add : Shares issued against conversion of warrants (Refer note iv)	-	-	5,26,42,622	526.43
	32,45,21,588	3,245.30	32,45,21,588	3,245.30

*Consequent to forfeiture of 12,537 equity shares in prior years and on receipt of unpaid amount thereon, the paid-up share capital of the Parent Company have increased by ₹ 0.08 Lakhs.

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

Disclosures relating to share capital

i Rights, preferences and restrictions attached to equity shares

The Parent Company has only one class of equity shares and declares and pays dividend in Indian Rupees. The equity shares of the Parent Company, having par value of ₹1/- per share, rank pari passu in all respects including voting rights and entitlement to dividend. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent Company on pro-rata basis. The distribution will be in proportion to the number of equity shares held by the shareholders.

ii Equity shares held by each shareholder holding more than 5% equity shares in the Parent Company are as follows :

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of Equity shares held	% of Holding	No. of Equity shares held	% of Holding
Dilip Shantilal Shanghvi	6,18,10,660	19.05%	6,18,10,660	19.05%
Shanghvi Finance Private Limited	13,72,11,787	42.28%	13,72,11,787	42.28%

iii Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year.

	As at March 31, 2024		As at March 31, 2023	
	No. of Equity shares held	Amount ₹ in Lakhs	No. of Equity shares held	Amount ₹ in Lakhs
Opening balance	32,45,21,588	3,245.30	27,18,78,966	2,718.87
Add : Shares issued against conversion of warrants (Refer note iv)	-	-	5,26,42,622	526.43
Closing balance	32,45,21,588	3,245.30	32,45,21,588	3,245.30

iv On July 08, 2021, the Parent Company had allotted 6,24,74,082 warrants, each convertible into one equity share, on preferential basis at an issue price of ₹178 each, upon receipt of 25% of the issue price (i.e. ₹44.50 per warrant) as warrant subscription money. Balance 75% of the issue price (i.e. ₹133.50 per warrant) was payable within 18 months from the allotment date, at the time of exercising the option to apply for fully paid-up equity share of ₹ 1 each of the Parent Company, against each warrant held by the warrant holder.

During the financial year ended March 31, 2022, the Parent Company upon receipt of balance 75% of the issue price (i.e. ₹ 133.50 per warrant) for 98,31,460 warrants, had allotted equal number of fully paid up equity shares against conversion of said warrants exercised by the warrant holder(s). During the previous financial year, for the remaining 5,26,42,622 warrants, the respective allottees had exercised their option for conversion/exchange the warrants into/for equity shares and accordingly, the Parent Company had allotted equal number of fully paid up equity shares against conversion of said warrants exercised by the warrant holder(s).

v No equity share has been allotted as fully paid up bonus shares and / bought back during the period of five years immediately preceding the date at which the balance sheet is prepared.

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

vi Details of shares held by promoters

As at March 31, 2024

Sr. No.	Equity shares held by promoters / members of promoter group / person acting in concert	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 at the end of the year	% change during the year
1	Mr. Dilip Shantilal Shanghvi	6,18,10,660	-	6,18,10,660	19.05	-
2	Shanghvi Finance Private Limited	13,72,11,787	-	13,72,11,787	42.28	-
3	Mr. Sudhir V. Valia	18,33,951	-	18,33,951	0.57	-
4	Mrs. Vibha Dilip Shanghvi	10,63,236	-	10,63,236	0.33	-
5	Mr. Aalok Dilip Shanghvi	3,50,162	-	3,50,162	0.11	-
6	Ms. Vidhi Dilip Shanghvi	3,44,081	-	3,44,081	0.11	-
7	Mrs. Kumud S. Shanghvi	38,795	-	38,795	0.01	-
8	Shanghvi Family & Friends Benefit Trust (Kumud S. Shanghvi and Dilip S. Shanghvi)	1,54,922	-	1,54,922	0.05	-
9	Mrs. Raksha S. Valia	41,45,231	-	41,45,231	1.28	-
10	Unimed Investments Limited	12,67,963	-	12,67,963	0.39	-
11	Flamboyawer Finance Private Limited	2,543	-	2,543	0.00	-
12	Sanghvi Properties Private Limited	1,887	-	1,887	0.00	-
13	Gujarat Sun Pharmaceutical Industries Private Limited	1,751	-	1,751	0.00	-
14	Aditya Medisales Limited	48,88,126	-	48,88,126	1.51	-
	Total	21,31,15,095	-	21,31,15,095	65.67	-

As at March 31, 2023

Sr. No.	Equity shares held by promoters / members of promoter group / person acting in concert	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 at the end of the year	% change during the year
1	Mr. Dilip Shantilal Shanghvi	3,65,29,761	2,52,80,899	6,18,10,660	19.05	5.61
2	Shanghvi Finance Private Limited	13,72,11,787	-	13,72,11,787	42.28	(8.19)
3	Mr. Sudhir V. Valia	18,33,951	-	18,33,951	0.57	(0.11)
4	Mrs. Vibha Dilip Shanghvi	10,63,236	-	10,63,236	0.33	(0.06)
5	Mr. Aalok Dilip Shanghvi	3,50,162	-	3,50,162	0.11	(0.02)
6	Ms. Vidhi Dilip Shanghvi	3,44,081	-	3,44,081	0.11	(0.02)
7	Mrs. Kumud S. Shanghvi	38,795	-	38,795	0.01	(0.00)
8	Shanghvi Family & Friends Benefit Trust (Kumud S. Shanghvi and Dilip S. Shanghvi)	1,54,922	-	1,54,922	0.05	(0.01)
9	Mrs. Raksha S. Valia	41,45,231	-	41,45,231	1.28	(0.25)
10	Unimed Investments Limited	12,67,963	-	12,67,963	0.39	(0.08)
11	Flamboyawer Finance Private Limited	2,543	-	2,543	0.00	(0.00)
12	Sanghvi Properties Private Limited	1,887	-	1,887	0.00	(0.00)
13	Gujarat Sun Pharmaceutical Industries Private Limited	1,751	-	1,751	0.00	(0.00)
14	Aditya Medisales Limited	48,88,126	-	48,88,126	1.51	(0.29)
	Total	18,78,34,196	2,52,80,899	21,31,15,095	65.67	(3.42)

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

NOTE 17

OTHER EQUITY

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
A Securities premium		
Opening balance	2,03,815.89	1,10,638.45
Add: Premium on issue of equity shares against conversion of warrants [Refer Note 16(iv)]	-	70,277.90
Add : Transferred from money received against share warrants	-	22,899.54
	2,03,815.89	2,03,815.89
B General reserve	3,397.66	3,397.66
C Money received against share warrants		
Opening balance	-	23,425.97
Less : Transfer to equity share capital and securities premium	-	(23,425.97)
	-	-
D Retained earnings		
Opening balance	(1,59,181.34)	(1,37,058.38)
Add : Loss for the year	(38,721.39)	(22,258.35)
Add : Actuarial gain on remeasurement of defined benefit plan	18.74	135.39
	(1,97,883.99)	(1,59,181.34)
E Items of other comprehensive income (OCI)		
Foreign currency translation reserve	0.68	-
	0.68	-
Total (A+B+C+D+E)	9,330.24	48,032.21

Nature and purpose of each reserve

Securities premium - The amount received in excess of face value of the equity shares is recognised in securities premium. This would be utilised in accordance with the provisions of the Companies Act, 2013.

General reserve - The reserve arises on transfer portion on the net profit pursuant to the earlier provisions of the Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013. The Group can use this reserve for payment of dividend and issue of fully paid-up and not paid-up bonus shares.

Retained earnings - Retained earnings are created from the profit/loss of the Group, as adjusted for distributions to owners, transfers to other reserves, etc.

NOTE 18

LEASE LIABILITIES (NON-CURRENT)

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Lease liability (Refer Note 39)	1,066.09	1,262.00
	1,066.09	1,262.00

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

NOTE 18a

OTHER FINANCIAL LIABILITIES (NON-CURRENT)

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Payable to employees	319.26	-
Other non-current financial liabilities	83.37	-
	402.63	-

NOTE 19

PROVISIONS (NON-CURRENT)

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Compensated absences	604.75	700.62
Gratuity (Refer Note 43)	-	113.18
	604.75	813.80

NOTE 20

OTHER LIABILITIES (NON-CURRENT)

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Deferred revenue (Refer Note 44)	10,349.43	11,764.73
	10,349.43	11,764.73

Movement of deferred revenue

(₹ in Lakh)

Particulars	Opening balance	Addition during the year	Deletion during the year	Closing balance
As at March 31, 2024	11,764.73	-	1,415.30	10,349.43
As at March 31, 2023	6,684.50	5,080.23	-	11,764.73

NOTE 21

BORROWINGS (CURRENT)

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Temporary Bank Overdraft (Secured)*	-	5.10
Secured working capital loan		
Kotak Mahindra Bank Limited		
- Working capital loan from bank (secured)*#	4,700.00	-
	4,700.00	5.10

* The Parent Company has availed working capital facilities from Kotak Mahindra Bank Limited on the basis of security of current assets. However, the Parent Company is not required to file quarterly statement with the bank. Further, the Parent Company has availed working capital facilities from ICICI Bank Limited on the basis of security of current assets. The Parent Company has filed the quarterly statement with bank till quarter ended September 2023, post which waiver was received from bank for such filing.

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

Quarter	Name of the Bank	Particulars of Securities provided	Amount as per books of accounts	Amount as reported in the quarterly return / statement	Amount of difference	Reason for material discrepancies
June 2023	ICICI Bank Limited	Trade receivables	2,595.21	2,595.21	-	N.A.
September 2023	ICICI Bank Limited	Trade receivables	3,170.19	3,170.19	-	

* Working capital demand loan carries an interest rate of @ 8.45% p.a and is secured by Corporate Guarantee given by Shanghvi Finance Private Limited and charge on all existing and future current assets.

NOTE 22

LEASE LIABILITIES (CURRENT)

	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Lease liability (Refer Note 39)	349.01	300.43
	349.01	300.43

NOTE 23

TRADE PAYABLES

	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro and small enterprises (Refer Note 38)	105.78	220.54
Total outstanding dues of creditors other than micro and small enterprises*	14,123.37	14,604.79
	14,229.15	14,825.33

Note : Trade payables comprises of payables due to directors and related parties as mentioned in Annexure A of Note 41.

Trade payables are non interest bearing and are generally on terms of 30 - 90 days.

* During the year ended March 31, 2023, the Group had paused the development of SCO-120 program due to changing clinical landscape. Pursuant to this, the Group had made provision for committed costs for this program estimated amounting to ₹2,700 lakhs payable to Sun Pharmaceutical Industries Limited. During the current financial year, basis the final settlement, the Group reversed an excess provision of ₹324 lakhs.

Trade payable ageing schedule

Particulars	₹ In Lakhs						
	As at March 31, 2024						
	Outstanding periods from due date of payment						
	Unbilled dues	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro and small enterprises	41.26	32.52	31.60	0.05	0.35	-	105.78
(ii) Others	4,845.47	2,728.97	6,501.06	33.61	4.18	10.08	14,123.37
(iii) Disputed dues - Micro and small enterprises	-	-	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-	-	-
Total	4,886.73	2,761.49	6,532.66	33.66	4.53	10.08	14,229.15

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

Trade payable ageing schedule

₹ In Lakhs

Particulars	As at March 31, 2023						Total
	Outstanding periods from due date of payment						
	Unbilled dues	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Micro and small enterprises	164.92	30.70	24.19	0.73	-	-	220.54
(ii) Others	8,671.09	2,941.45	2,981.63	-	3.99	6.63	14,604.79
(iii) Disputed dues - Micro and small enterprises	-	-	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-	-	-
Total	8,836.01	2,972.15	3,005.82	0.73	3.99	6.63	14,825.33

NOTE 24

OTHER FINANCIAL LIABILITIES (CURRENT)

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Interest accrued but not due on borrowings	7.11	-
Payable on purchase of property, plant and equipment	141.52	60.24
Payable to employees	2,508.55	1,109.86
Unclaimed excess share application money	-	0.21
Other financial liability	6.76	2.77
Amount refundable to customer	1,668.21	-
	4,332.14	1,173.08

NOTE 25

OTHER LIABILITIES (CURRENT)

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Statutory remittances	1,506.41	941.13
Advances from customers (Refer Note 44)	0.03	0.11
	1,506.44	941.24

NOTE 26

PROVISIONS (CURRENT)

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Compensated absences	1,203.31	348.53
Gratuity (Refer Note 43)	21.07	300.86
	1,224.38	649.39

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

NOTE 26a

CURRENT TAX LIABILITIES (NET)

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Provision for income tax (Net of advance income tax)	164.66	-
	164.66	-

NOTE 27

REVENUE FROM OPERATIONS

(₹ in Lakh)

	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from contracts with customers		
Sale of services (Refer Note 44)		
Licence fees	76.17	12,713.21
Royalty on technology	5,873.36	9,180.68
R&D services	1,605.00	1,984.12
	7,554.53	23,878.01

NOTE 28

OTHER INCOME

(₹ in Lakh)

	Year ended March 31, 2024	Year ended March 31, 2023
Interest income on:		
Deposits with banks	1,728.67	478.58
Loans to employees	0.86	1.28
Others (includes refund from government authorities)	818.06	279.68
	2,547.59	759.54
Net gain on sale of financial assets measured at fair value through profit or loss	317.91	208.06
Net gain arising on financial assets measured at fair value through profit or loss	0.14	118.46
	318.05	326.52
Net gain on disposal of property, plant and equipment	6.02	-
Net gain on derecognition of Right to use assets	52.17	-
Miscellaneous income	23.10	1.68
	2,946.93	1,087.74

NOTE 29

COST OF MATERIALS CONSUMED

(₹ in Lakh)

	Year ended March 31, 2024	Year ended March 31, 2023
Materials consumed	2,813.10	2,211.08
	2,813.10	2,211.08

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

NOTE 30

EMPLOYEE BENEFITS EXPENSE

(₹ in Lakh)

	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus	12,937.85	9,756.36
Contribution to provident and other funds*	741.89	632.76
Staff welfare expenses	504.20	310.70
	14,183.94	10,699.82

* includes gratuity expense of ₹179.47 Lakhs (Previous year: ₹197.24 Lakhs)

NOTE 31

FINANCE COSTS

(₹ in Lakh)

	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense on:		
Borrowings	15.69	714.58
Lease liabilities (Refer Note 39)	101.78	48.89
Corporate guarantee commission	50.00	-
Unwinding of discount on provision	1.99	-
	169.46	763.47

NOTE 32

OTHER EXPENSES

(₹ in Lakh)

	Year ended March 31, 2024	Year ended March 31, 2023
Consumption of stores and spare parts	630.45	515.60
Power and fuel	614.03	575.03
Rent (Refer Note 39)	25.08	-
Rates and taxes	12.93	13.64
Insurance	120.02	75.94
Repairs and maintenance	830.77	621.30
Printing and stationery	16.70	16.47
Travelling and conveyance	522.42	388.43
License and fees	278.16	130.36
Communication expenses	41.67	39.89
Loss on sale/write-off of property, plant & equipment (net)	-	11.29
Net loss on foreign currency transactions	310.25	206.90
Payment to auditor		
For statutory audit	25.50	20.92
For limited review	8.92	8.00
For certification services	1.00	1.00
For reimbursement	5.66	3.90
Contract labour expenses	444.35	356.95

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

	Year ended March 31, 2024	Year ended March 31, 2023
		(₹ in Lakh)
Membership fees and subscription	62.28	50.09
Software expenses	817.89	846.10
Staff recruitment expenses	205.49	80.81
Provision for doubtful debt	204.95	-
Miscellaneous expenses	208.04	268.79
	5,386.56	4,231.41

NOTE 32a

TAX RECONCILIATION

	As at March 31, 2024	As at March 31, 2023
		(₹ in Lakh)
Reconciliation of tax expense		
Loss before tax	(38,683.19)	(22,258.35)
Income tax rate in India (%)	29.12%	29.12%
Income tax expense calculated at corporate tax rate	(11,264.54)	(6,481.63)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets (net)	11,301.62	6,481.63
Effect of difference between Indian and foreign tax rates and non taxable subsidiaries	1.12	-
Income tax expense recognised in consolidated statement of profit and loss	38.20	-

NOTE 33

CATEGORIES OF FINANCIAL INSTRUMENTS

Particulars	As at March 31, 2024			As at March 31, 2023		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial assets						
Investments in mutual funds	180.13	-	-	9,550.44	-	-
Investment in certificate of deposits	-	-	-	-	-	19,539.49
Loans and advances to employees	-	-	22.17	-	-	53.90
Security deposits	-	-	46.91	-	-	45.91
Trade receivables	-	-	1,553.13	-	-	3,271.43
Cash and cash equivalents	-	-	532.95	-	-	58.36
Bank balances other than cash and cash equivalent	-	-	15,000.00	-	-	26,099.21
Interest accrued on fixed deposit	-	-	1,404.73	-	-	293.22
Unbilled revenue	-	-	287.12	-	-	351.62
Other receivables	-	-	5,089.43	-	-	2,684.31
Total	180.13	-	23,936.44	9,550.44	-	52,397.45

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

(₹ in Lakh)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial liabilities						
Borrowings	-	-	4,700.00	-	-	5.10
Interest accrued but not due on borrowings	-	-	7.11	-	-	-
Trade payables	-	-	14,229.15	-	-	14,825.33
Payables on purchase of property, plant and equipment	-	-	141.52	-	-	60.24
Unclaimed excess share application money	-	-	-	-	-	0.21
Lease liabilities	-	-	1,415.10	-	-	1,562.43
Payable to employees	-	-	2,827.81	-	-	1,109.86
Other payables	-	-	1,758.33	-	-	2.77
Total	-	-	25,079.02	-	-	17,565.94

NOTE 34

FAIR VALUE HIERARCHY

The carrying value and fair value of financial instruments by categories as at balance sheet date were as follows:

(₹ in Lakh)

Particulars	Carrying Value		Fair Value	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Financial assets:				
Investments in mutual fund - quoted	180.13	9,550.44	180.13	9,550.44
Investments in certificate of deposits - unquoted	-	19,539.49	-	19,539.49
Total	180.13	29,089.93	180.13	29,089.93

The management assessed that cash and cash equivalents, bank balance other than cash and cash equivalents, trade receivables, loans, trade payables, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Financial assets and liabilities measured at fair value on a recurring basis at the end of each reporting period

(₹ in Lakh)

Particulars	As at March 31, 2024			As at March 31, 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets at FVTPL						
Investments in mutual funds	180.13	-	-	9,550.44	-	-
Financial assets at amortised cost						
Investment in certificate of deposits	-	-	-	-	19,539.49	-
Total	180.13	-	-	9,550.44	19,539.49	-

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

There were no transfers between Level 1 and 2 during the years ended March 31, 2024 and March 31, 2023.

NOTE 35

CAPITAL MANAGEMENT

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern (Refer Note 50); and
- to provide an adequate return to shareholders through optimisation of debts and equity balance.

The Group monitors capital on the basis of the carrying amount of debt less cash and cash equivalents as presented on the face of the financial statements. The Group's objective for capital management is to maintain an optimum overall financial structure.

Net debt equity ratio

(₹ in Lakh)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Debt (includes borrowings and lease liabilities)	6,115.10	1,567.53
Less : cash and cash equivalents	532.95	58.36
Net debt	5,582.15	1,509.17
Total equity (including reserves)	12,575.54	51,277.51
Net debt to total equity ratio	0.44	0.03

NOTE 36

FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Group's risk management assessment, policies and processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment, management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, loans and investments. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counterparty to which the Group grants credit terms in the normal course of business.

Investments

The Group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Group does not expect any losses from non-performance by these counterparties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Group's reputation.

The Group has unutilised working capital lines from banks and financial institutions of ₹ **37,800 Lakhs** as on March 31, 2024 (Previous year : ₹ 42,494.90 Lakhs)

The table below provides details regarding the contractual maturities of significant financial liabilities based on the contractual undiscounted payments :

(₹ in Lakh)

Particulars	As at March 31, 2024				As at March 31, 2023			
	Less than 1 year	1 - 3 years	More than 3 years	Total	Less than 1 year	1 - 3 years	More than 3 years	Total
Non derivative								
Borrowings	4,700.00	-	-	4,700.00	5.10	-	-	5.10
Lease liabilities	438.72	885.72	300.64	1,625.08	397.37	804.08	631.46	1,832.91
Trade payables	14,229.15	-	-	14,229.15	14,825.33	-	-	14,825.33
Other financial liabilities	4,332.14	330.91	71.72	4,734.77	1,173.08	-	-	1,173.08
Total	23,700.01	1,216.63	372.36	25,289.00	16,400.88	804.08	631.46	17,836.42

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include investments. The Group has designed risk management frame work to control various risks effectively to achieve the business objectives. This includes identification of risk, its assessment, control and monitoring at timely intervals.

Foreign exchange risk

The Group's foreign exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in US Dollars and Euros). As a result, if the value of the Indian Rupee fluctuates relative to these foreign currencies, the Group's revenues and expenses measured in Indian Rupees may fluctuate. The exchange rate between the Indian Rupee and these foreign currencies have changed substantially in recent periods and may continue to fluctuate substantially in the future.

a) Significant foreign currency risk exposure relating to trade receivables other receivable and trade payables

(₹ in Lakh)

Particulars	As at March 31, 2024				As at March 31, 2023			
	US Dollars - equivalent INR	Euro - equivalent INR	Others - equivalent INR	Total - equivalent INR	US Dollars - equivalent INR	Euro - equivalent INR	Others - equivalent INR	Total - equivalent INR
Financial assets								
Trade receivables	479.75	-	-	479.75	615.53	-	-	615.53
Unbilled revenue	-	-	-	-	116.81	-	-	116.81
Other receivables	2,502.00	-	-	2,502.00	2,465.10	-	-	2,465.10
Cash and cash equivalents	376.78	-	-	376.78	7.08	-	-	7.08
Financial liabilities								
Trade payables	12,407.89	433.67	80.00	12,921.56	10,497.28	226.62	150.60	10,874.50
Other financial liability	1,758.06	-	-	1,758.06	-	-	-	-

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

b) Sensitivity

For the years ended March 31, 2024 and March 31, 2023, every 5% strengthening in the exchange rate between the Indian Rupee and the respective currencies for the above mentioned financial assets / liabilities would decrease the Group's loss and increase the Group's equity by approximately ₹ 566.05 Lakhs and ₹ 383.50 Lakhs respectively. A 5% weakening of the Indian rupee and the respective currencies would lead to an equal but opposite effect.

Interest rate risk

The Group has no loan facilities on floating interest rate, which exposes the Group to risk of changes in interest rates. The Group's exposure to interest rate risk is not significant.

Commodity rate risk

The Group being in the business of Research & Development, does not face any significant Commodity Price Risk.

NOTE 37

LOSS PER SHARE

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Loss for the year (₹ in Lakhs)	(38,721.39)	(22,258.35)
Weighted average number of shares used in computing basic and diluted loss per share	32,45,21,588	28,46,95,959
Nominal / face value per share (in ₹)	1.00	1.00
Basic and diluted loss per share (in ₹)	(11.93)	(7.82)

NOTE 38

DISCLOSURES UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Parent Company.

- a) The principal amount remaining unpaid as at March 31, 2024 in respect of enterprises covered under the "Micro, Small and Medium Enterprises Development Act, 2006" (MSMED) is ₹ **105.78 Lakhs** (Previous year : ₹ 220.54 Lakhs).
- b) There are no amounts of interest paid/due/payable during the year/previous year/succeeding year. Also, there is no amount of interest accrued and remaining unpaid at the end of current accounting year/previous accounting year.
- c) The list of undertakings covered under MSMED was determined by the Parent Company on the basis of information available with the Parent Company and has been relied upon by auditors.

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

NOTE 39

LEASES

Right-of-use (ROU assets)

(₹ in Lakh)

Particulars	Amount
At cost or deemed cost	
As at April 1, 2022	855.31
Additions	1,390.70
Disposals	(458.23)
As at March 31, 2023	1,787.78
Foreign currency translation difference	3.98
Additions	669.28
Disposals	(693.84)
As at March 31, 2024	1,767.20
Accumulated depreciation	
As at April 1, 2022	486.27
Depreciation expenses	278.21
Eliminated on disposals of assets	(458.23)
As at March 31, 2023	306.25
Foreign currency translation difference	0.29
Depreciation expenses	333.97
Eliminated on disposals of assets	(219.72)
As at March 31, 2024	420.79
Carrying amounts (Refer Note 3a)	
As at March 31, 2023	1,481.53
As at March 31, 2024	1,346.41

Lease liability

Below are the carrying amounts of lease liabilities recognised and the movements during the period:

(₹ in Lakh)

Particulars	Amount
As at April 1, 2022	421.37
Accretion of interest	48.89
Addition during the year	1,390.70
Addition / (deletion) due to foreign exchange loss / (gain)	37.15
Payments towards lease liability	(335.68)
As at March 31, 2023	1,562.43
Accretion of interest	101.78
Addition during the year	669.28
Deletion during the year	(526.31)
Payments towards lease liability	(395.81)
Foreign currency translation difference	3.73
As at March 31, 2024	1,415.10
Lease liabilities (non-current) (Refer Note 18)	
Lease liability	1,066.09
Lease liabilities (Current) (Refer Note 22)	
Lease liability	349.01
Total lease liability	1,415.10

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

Lease liabilities - maturity analysis - contractual undiscounted cash flows

Particulars	(₹ in Lakh)	
	Year ended March 31, 2024	Year ended March 31, 2023
Not later than one year	438.72	397.37
Later than one year and not later than five years	1,186.36	1,435.54
Later than five years	-	-
Amounts recognised in statement of profit and loss		
Interest on lease liabilities	101.78	48.89
Foreign exchange loss / (gain)	-	3715
Depreciation on right-to-use assets	333.97	278.21

Annual lease costs on short term leases and low value asset leases amounted to ₹ **25.08 Lakhs** in the year ended March 31, 2024 (Previous year : Nil)

NOTE 40

SEGMENT REPORTING

i. Primary segment

The Group has identified "Pharmaceuticals Research and Development" which as per Ind AS 108 - "operating segment" is considered the only reportable business segment.

Particulars	(₹ in Lakh)	
	Year ended March 31, 2024	Year ended March 31, 2023
ii. Secondary segment		
Revenue by geography		
Within India	7,490.13	10,706.03
Outside India	64.40	13,171.98
Total revenue from operations	7,554.53	23,878.01

[The Group does not have any customer (other than related parties), with whom revenue from transactions is more than 10% of Group's total revenue. (Refer Annexure A of Note 41)]

NOTE 41

RELATED PARTY DISCLOSURE

Disclosure with respect to Ind AS 24 on "Related Party Disclosures" is as per Annexure - "A" annexed.

NOTE 42

CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

Particulars	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
i. Contingent liabilities		
a) Guarantees given by the bankers against custom licenses	0.50	0.50
b) Disputed demands by Income tax authorities* (gross)	8,848.45	8,848.45
c) Disputed demands by Service tax authorities** (gross)	5,190.17	5,190.17
* Amount paid under protest is classified under income tax assets (Refer Note 7)	5,509.63	5,509.63

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
**Amount paid under protest is classified under other current assets (Refer Note 15) Note: includes, interest till the date of demand, wherever applicable.	172.65	172.65

Future cash outflows in respect of the above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities. The Group does not expect the outcome of the matters stated above to have material adverse impact on the Group's financial condition, results of operation or cash flows.

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
ii. Commitments Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)*	33,898.79	26,189.53

iii. For commitments relating to lease arrangement. (Refer Note 39)

* The Group is committed to pay milestone payments on a contract, however obligation to pay is contingent upon fulfilment of contractual obligation by parties to the contract.

NOTE 43

EMPLOYEE BENEFIT PLANS

Defined contribution plan

Contributions are made to Regional Provident Fund (RPF), Family Pension Fund, Employees State Insurance Scheme (ESIC) and other funds which covers all regular employees. While both the employees and the Parent Company make predetermined contributions to the Provident Fund and ESIC, contribution to the Family Pension Fund and other statutory funds are made only by the Parent Company. The contributions are normally based on a certain percentage of the employee's salary. Amount recognised as expense in respect of these defined contribution plans, aggregate to ₹ **448.73 Lakhs** (Previous year : ₹ 418.00 Lakhs).

(₹ in Lakh)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Contribution to Provident Fund and Family Pension Fund	445.28	414.47
Contribution to ESIC and Employees Deposit Linked Insurance (EDLI)	3.41	3.50
Contribution to Labour Welfare Fund	0.04	0.03

In the United States, the Group sponsors a defined contribution 401(k) retirement savings plan for all eligible employees who meet minimum age and service requirements. The Group has no further obligations under the plan beyond its annual matching contributions.

Defined benefit plan

a) Gratuity

In respect of Gratuity, a defined benefit plan, contributions are made to LIC's Recognised Group Gratuity Fund Scheme. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination age. Provision for gratuity is based on actuarial valuation done by an independent actuary as at the year end. Each year, the Parent Company reviews the

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

level of funding in gratuity fund. The Parent Company decides its contribution based on the results of its annual review. The Parent Company aims to keep annual contributions relatively stable at a level such that the fund assets meets the requirements of gratuity payments in short to medium term.

b) Other long term benefit plan

Actuarial valuation for compensated absences is done as at the year end and the provision is made as per Parent Company rules with corresponding charge to the statement of profit and loss amounting to ₹ **126.61 Lakhs** (Previous year : ₹ 279.38 Lakhs) and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation.

Obligation in respect of defined benefit plan and other long term employee benefit plans are actuarially determined as at the year end using the 'Projected Unit Credit' method. Gains and losses on changes in actuarial assumptions relating to defined benefit obligation are recognised in other comprehensive income whereas gains and losses in respect of other long term employee benefit plans are recognised in the statement of profit and loss.

(₹ in Lakh)

Particulars	Year ended March 31, 2024 Gratuity (Funded)	Year ended March 31, 2023 Gratuity (Funded)
I. Reconciliation of liability/(asset) recognised in the balance sheet		
Present value of obligation at the end of the year	1,993.30	2,153.62
Fair value of plan assets at the end of the year	(1,972.23)	(1,739.58)
Net liability recognised in the financial statement	21.07	414.04
II. Movement in net liability / (asset) recognised in the balance sheet		
Net liability / (assets) as at beginning of the year	414.04	448.42
Net expense recognised in the statement of profit and loss	179.47	197.24
Net expense / (gain) recognised in other comprehensive income	(18.74)	(135.39)
Net (liability) / asset transfer out	(21.28)	-
Contribution during the year	(215.69)	(96.23)
Benefit paid by the employer	(316.73)	-
Net liability / (asset) as at the end of the year (Refer Note 19 and 26)	21.07	414.04
III. Net interest cost for the current year		
Interest cost	157.84	140.12
Interest income	(127.40)	(108.91)
Net interest cost for the current year	30.44	31.21
IV. Expense recognised in the statement of profit and loss		
Current service cost	149.03	166.03
Net interest cost for the current year	30.44	31.21
Expense charged to the statement of profit and loss	179.47	197.24
V. Expense recognised in the other comprehensive income (OCI)		
Actuarial (gains) / losses on obligation for the year	(4.50)	(129.47)
Return on plan assets excluding interest income	(14.24)	(5.92)
Net expenses/ (income) recognised in the OCI	(18.74)	(135.39)
VI. Return on plan assets		
Expected return on plan assets	127.40	108.91
Actuarial gain	14.24	5.92
Actual return on plan assets	141.64	114.83
VII. Reconciliation of defined-benefit obligations		
Obligation as at the beginning of the year	2,153.62	2,019.97
Current service cost	149.03	166.03
Liability transfer out	(21.28)	-
Interest cost	157.84	140.12
Benefits paid	(124.68)	(43.03)
Benefit paid by the employer	(316.73)	-

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

Particulars	(₹ in Lakh)	
	Year ended March 31, 2024 Gratuity (Funded)	Year ended March 31, 2023 Gratuity (Funded)
Actuarial (gain) / loss arising from changes in financial assumptions	15.23	(38.61)
Actuarial (gain) / loss arising from demographic assumptions	-	(90.17)
Actuarial (gain) / loss arising from changes in experience adjustments	(19.73)	(0.69)
Obligation as at the end of the year	1,993.30	2,153.62
VIII. Reconciliation of plan assets		
Plan assets as at the beginning of the year	1,739.58	1,571.55
Expected return on plan assets	127.40	108.91
Actuarial gain on plan assets	14.24	5.92
Employer's contribution during the year	215.69	96.23
Benefits paid	(124.68)	(43.03)
Plan assets as at the year end	1,972.23	1,739.58
IX. Actuarial assumptions		
Discount rate	7.19%	7.35%
Expected return on plan assets	7.19%	7.35%
Expected rate of salary increase	10.00%	10.00%
Mortality	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
Attrition rate	12% p.a.	12% p.a.
Retirement age (years)	60-67 years	60-67 years
X. Investment details		
Insurance fund	1,972.23	1,739.58
XI. Sensitivity analysis for significant assumptions :		
Benefit obligation as at the end of the year	1,993.30	2,153.62
Increase / (decrease) in the present value of benefit obligation as at the end of the year:		
Delta effect of +1% change in rate of discounting	(91.21)	(92.29)
Delta effect of -1% change in rate of discounting	101.27	102.22
Delta effect of +1% change in rate of salary increase	97.62	98.69
Delta effect of -1% change in rate of salary increase	(89.77)	(90.96)
Delta effect of +1% change in rate of employee turnover	(16.45)	(15.39)
Delta effect of -1% change in rate of employee turnover	17.90	16.75
XII. Maturity analysis of projected benefit obligation		
Projected benefits payable in future years from the date of reporting		
1st following year	393.30	440.96
2nd following year	197.28	200.89
3rd following year	182.36	349.60
4th following year	274.26	173.05
5th following year	232.69	249.66
Sum of years 6 to 10	768.34	873.07
Sum of Years 11 and above	1,019.19	978.74

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

Salary escalation rate

The estimates of future salary increases take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Basis used to determine rate of return on plan assets

The rate of return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

The contribution expected to be made by the Parent Company for gratuity in next financial year ending March 31, 2025 ₹ **165.10 Lakhs** (Previous year : ₹ 300.87 Lakhs).

NOTE 44

REVENUE FROM CONTRACT WITH CUSTOMERS:

₹ In Lakhs

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from contract with customers	7,554.53	23,878.01

(₹ in Lakh)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Trade receivables (Refer Note 10)	1,553.13	3,271.43
Contract assets (Refer Note 14)	287.12	351.62
Contract liabilities (Refer Note 20 and 25)	10,349.46	11,764.84

Contract balance of Trade receivable, Contract assets and Contract liabilities as on April 1, 2022 were 2,773.61 Lakhs, 282.86 Lakhs and 6,687.42 Lakhs respectively.

Contract assets are initially recognised for revenue from sale of goods. Contract liabilities are on account of the upfront revenue received from customer for which performance obligation has not yet been completed. The performance obligation is satisfied when control of the goods or services are transferred to the customers based on the contractual terms. Payment terms with customers vary depending upon the contractual terms of each contract.

NOTE 45

USE OF ESTIMATES AND JUDGEMENTS

The preparation of the Group's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- 1 Provisions [Refer Note 19 and 26]

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

- 2 Contingent liabilities [Refer Note 42]
- 3 Financial risk management [Refer Note 36]
- 4 Provision for tax [Refer Note 6 and 26a]
- 5 Revenue [Refer Note 27 and 44]

NOTE 46

The Group does not have any transactions and balances with companies which are struck off except shares held by 9 shareholders holding 4,801 shares (Previous year : 9 shareholders holding 4,801 shares) having face value of ₹ 1 per share.

NOTE 47a

The Company formed a wholly owned subsidiary in the United States of America named SPARCLIFE, Inc. on September 25, 2023. Hence, consolidated financial statements have been prepared for the first time for the year ended March 31, 2024. The comparative previous year figures as at and for the year ended March 31, 2023, are same for standalone and consolidated financial statements.

NOTE 47b

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Group due to both physical and transition risks. Even though the Group believes its business model will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation.

NOTE 48

OTHER STATUTORY INFORMATION

- (i) The Parent Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- (ii) The Parent Company has not been declared as wilful defaulter.
- (iii) The Parent Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Group has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- (v) The Parent has not advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds to any other person or entity, including foreign entities (Intermediaries) with the understanding, (whether recorded in writing or otherwise) that the Intermediary shall:
 - (a) 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
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Parent Company has not received any funds from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

- (a) 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
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Parent Company does not have any such transaction which is 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.
- (viii) The Parent Company does not have any scheme of arrangements during the year.

NOTE 49

Disclosures mandated by the Companies Act, 2013 Schedule III Part II by way of additional information is given in Annexure 'B'

NOTE 50

The Group has incurred cash losses in past years and in the current year. The Group is subject to risks common to companies in the pharmaceutical research and development industry, including, but not limited to, risks of failure or unsatisfactory results of non-clinical studies and clinical trials, the need to obtain additional financing to fund the future development of its pipeline, the need to obtain marketing approval for its product candidates, the need to successfully commercialize its product candidates, development by competitors of technological innovations etc.

Based on the Group's operating plan, management believes that its current cash, cash equivalents, available-for-sale investments and unutilized credit limits from banks (which are guaranteed by its Promoter Group Entity) and by its promoter group entity will allow the Group to meet its upcoming liquidity requirements and continue to fund work on its existing portfolio of research assets and new research. The Group also plans to monetise some of these assets in the future and is exploring various options, including collaborations, sale etc.

Further, the Group has also received a financial support letter from its Promoter Group Entity to ensure its status as "Going Concern" and the continuance of its operations, as and when required.

NOTE 51

On March 01, 2023, the Parent Company disclosed an information security incident that impacted some of the Group's IT assets. The Group promptly took steps to contain and remediate the impact of the information security incident, including employing appropriate containment protocols to mitigate the threat, employing enhanced security measures and utilizing global cyber security experts to ensure the integrity of the Group's IT systems' infrastructure and data. As part of the containment measures, the Group proactively isolated its network and initiated recovery procedures. As a result of these measures, certain business operations were also impacted.

The Group has since strengthened its cybersecurity infrastructure and implemented improvements to its cyber and data security systems to safeguard against such risks in the future. The Group is also implementing certain long-term measures to augment its security controls systems across the organization. The Group worked with legal counsel across relevant jurisdictions to notify applicable regulatory and data protection authorities, where considered required, and the Group believes there is no material legal non-compliance by the Group on account of the information security incident. The Group believes that all known impacts on its consolidated financial statements on account of this incident have been considered.

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

NOTE 52

- a) The Parent Company maintains its books of account in electronic mode and these books of accounts are accessible in India at all times. However, due to the cyber incident (Refer Note 51) in the previous year, the back-up of books of account was not taken on server physically located in India on a daily basis from April 01, 2023 to June 05, 2023 but were taken on an external device in India. The daily back up from June 06, 2023 to March 31, 2024 were taken on servers physically located in India.
- b) The Parent Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled at the database level insofar as it relates to accounting software. However, the Parent Company has internal controls in place for unauthorized changes at database level. Further no instance of audit trail feature being tampered with was noted in respect of the accounting software.

NOTE 53

The date of implementation of the Code on Wages 2019 and the Code on Social Security, 2020 is yet to be notified by the Government. The Group will assess the impact of these Codes and give effect in the subsequent financial statements when the Rules/Schemes thereunder are notified.

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No : 324982E/E300003

For and on behalf of the Board of Directors of

SUN PHARMA ADVANCED RESEARCH COMPANY LIMITED

ANIL RAGHAVAN

Chief Executive Officer

Place : New Jersey, U.S.A.

DILIP S. SHANGHVI

Chairman

DIN: 00005588

Place : Mumbai

per AMIT SINGH

Partner

Membership No. 408869

CHETAN M. RAJPARA

Chief Financial Officer

Place : London, U.K.

SUDHIR V. VALIA

Director

DIN: 00005561

Place : Mumbai

Place : Mumbai

Date : May 24, 2024

KAJAL K. DAMANIA

Company Secretary

Place : Mumbai

Date : May 24, 2024

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

Annexure "A"

Indian Accounting Standard (Ind AS-24) " Related Party Disclosures "

Names of related parties and description of relationship

1. Key Management Personnel

Dilip S. Shanghvi	Chairman & Non-Executive Director
Sudhir V. Valia	Non Executive Director
Rajamannar Thennati	Non-Executive Director
Bhavna Doshi	Independent Director
Ferzaan Engineer	Independent Director
Robert Jay Spiegel	Independent Director
Anil Raghavan	Chief Executive Officer

2. Enterprises under significant influence/are controlled by Key Management Personnel (with whom transactions are entered)

PV Power Technologies Pvt. Ltd.	Sun Pharmaceutical Industries Europe BV
Spiegel Consulting LLC	Sun Pharmaceutical Industries Inc.
Shanghvi Finance Private Limited (Ceased to be the holding company w.e.f. January 6, 2023)	Sun Pharmaceutical Industries Limited
Shree Nagardas Dhanaji Shanghvi Trust - Sudarshan Netralaya	Taro Pharmaceuticals Industries Limited
Sun Pharmaceutical Medicare Limited	Taro Pharmaceuticals U.S.A., Inc.
Sun Pharma Laboratories Limited	Terapia S.A.

1. Transaction with Key Management Personnel (KMP)

Particulars	(₹ in Lakh)	
	Year ended March 31, 2024	Year ended March 31, 2023
Director sitting fees		
Dilip S. Shanghvi	3.90	3.30
Sudhir V. Valia	6.00	6.90
Bhavna Doshi	6.60	6.30
Rajamannar Thennati	3.00	3.60
Ferzaan Engineer	6.30	5.40
Robert Jay Spiegel	6.30	5.40
Issue of equity shares against conversion of warrants		
Dilip S. Shanghvi	-	33,750.00
Remuneration		
Anil Raghavan	696.08	501.67

Key Management Personnel (KMP) who are under the employment of the Group is entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits'. As these employee benefits are lump sum amount provided on the basis of actuarial valuation, the same is not included above.

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

2. Transaction with Enterprises under significant influence of / are controlled by Key Management Personnel

(₹ in Lakh)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
PV Power Technologies Pvt. Ltd.		
Purchase of property, plant and equipment	-	6.35
Spiegel Consulting LLC		
Professional fees	41.70	41.09
Shanghvi Finance Private Limited		
Commission on corporate guarantee	50.00	-
Shree Nagardas Dhanaji Shanghvi Trust - Sudarshan Netralaya		
Sale of Fixed Assets	1.74	-
Sun Pharma Laboratories Limited		
Sale of services - License fees / Royalty on technology / R&D services	2,817.29	5,371.40
Purchase of goods	1.07	1.57
Sun Pharmaceutical Industries Europe BV		
Receiving of research and development services	518.42	107.20
Reimbursement of expenses paid	11.92	61.42
Sun Pharmaceutical Industries Inc.		
Sale of services - License fees / Royalty on technology / R&D services	62.50	12,399.26
Deferred revenue	-	4,089.63
Reimbursement of expenses paid	277.42	382.48
Receiving of research and development services	6,728.99	7,819.00
Purchase of goods	-	1.43
Receiving of liability on employee's transfer	2,212.27	-
Sun Pharmaceutical Industries Limited		
Sale of services - License fees / Royalty on technology / R&D services	4,672.85	5,334.63
Purchase of goods	372.31	478.42
Purchase of property, plant and equipment	-	37.84
Payment of lease liabilities	272.87	209.23
Receiving of research and development services	177.75	81.57
Product development cost	2,375.50	-
Sale of property, plant and equipment	-	25.39
Reimbursement of expenses paid	365.78	238.74
Reimbursement of expenses received	9.03	19.09
Sun Pharmaceutical Medicare Limited		
Purchase of goods	1.52	0.20
Reimbursement of expenses paid	-	0.81
Taro Pharmaceuticals Industries Limited		
Sale of services - R&D services	1.90	18.37
Taro Pharmaceuticals U.S.A., Inc.		
Payment of lease liabilities	116.63	126.45
Terapia S.A.		
Receiving of services	106.43	-

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

Balances outstanding - receivable / (payable)

(₹ in Lakh)

Particulars	As at March 31, 2024	As at March 31, 2023
Rajamannar Thennati	-	(0.54)
Sudhir V. Valia	-	(0.54)
Bhavna Doshi	(0.27)	-
Ferzaan Nariman Engineer	(0.34)	-
Robert Jay Spiegel	(0.21)	-
Shanghvi Finance Pvt Ltd.	(47.50)	-
Spiegel Consulting LLC	(83.41)	(41.09)
Sun Pharma Laboratories Limited	231.19	1,709.03
Sun Pharmaceutical Industries Europe BV	(421.37)	(168.03)
Sun Pharmaceutical Industries Inc.	(3,293.19)	(4,035.54)
Sun Pharmaceutical Industries Limited	842.06	946.87
Sun Pharmaceutical Medicare Limited	(1.52)	-
Taro Pharmaceuticals Industries Limited	-	1.08
Taro Pharmaceuticals U.S.A., Inc.	(78.71)	(38.01)
Terapia S.A.	(96.02)	-

Terms and condition of transactions with related parties.

The sale of services to related parties are made on terms equivalent to those that prevail in arms length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related parties receivables or payables.

* The Group has an outstanding corporate guarantee from Shanghvi Finance Private Limited amounting to ₹ 20,000 Lakhs as at March 31, 2024 (Previous year : ₹ 20,000 Lakhs). Refer Note 21.

Consolidated Notes to Financial Statements

for the year ended March 31, 2024

Annexure "B"

Disclosure of additional information pertaining to the Parent Company and subsidiary as per Schedule III of Companies Act, 2013:

Sr. No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		2023-24		2023-24		2023-24		2023-24	
		As % of consolidated net assets	₹ in lakhs	As % of consolidated profit or (loss)	₹ in lakhs	As % of consolidated OCI	₹ in lakhs	As % of consolidated TCI	₹ in lakhs
1	Parent Entity - Sun Pharma Advanced Research Company Limited	99.29	12,485.73	100.23	(38,810.52)	96.50	18.74	100.23	(38,791.78)
2	Subsidiary Entity - SPARCLIFE Inc.	1.05	131.51	(0.23)	89.13	-	-	(0.23)	89.13
	Total		12,617.24		(38,721.39)		18.74		(38,702.65)
3	Intercompany Elimination and Consolidation Adjustments	(0.33)	(41.70)	-	-	3.50	0.68	-	(0.68)
		100.00	12,575.54	100.00	(38,721.39)	100.00	19.42	100.00	(38,701.97)

Notice of Annual General Meeting

NOTICE is hereby given that (19th) Annual General Meeting of the members of **Sun Pharma Advanced Research Company Limited ("Company")** will be held on **Monday, August 12, 2024, at 04:00 P.M. IST (Indian Standard Time)**, through Video Conferencing ("**VC**") / Other Audio-Visual Means ("**OAVM**"), to transact the following business:

ORDINARY BUSINESS:

- To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended March 31, 2024 and the reports of the Board of Directors and Auditors thereon.**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the audited standalone financial statement of the Company for the financial year ended March 31, 2024 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

- To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended March 31, 2024 and the report of the Auditors thereon.**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the audited consolidated financial statement of the Company for the financial year ended March 31, 2024 and the report of Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

SPECIAL BUSINESS:

- Mr. Sudhir V. Valia (DIN: 00005561), Director liable to retire by rotation, who does not seek re-election.**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Sudhir V. Valia (DIN: 00005561), Non-Executive & Non-Independent Director, retires by rotation with effect from the conclusion of 19th Annual General Meeting of the Company and the vacancy caused as such not be filled up."

- To Re-appoint Dr. Robert J. Spiegel (DIN: 08739625) as an Independent Director of the Company for a second term of five years.**

To consider and, if thought fit, to pass the following resolution as a **Special Resolutions**:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule IV of the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Dr. Robert J. Spiegel (DIN: 08739625), who was appointed as an Independent Director of the Company for a term of five years up to May 31, 2025 be and is hereby re-appointed as an Independent Director on the Board of the Company for a second term of 5 (five) years, effective from June 1, 2025 up to May 31, 2030 and he shall not be liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the SEBI Listing Regulations, approval of the Company be and is hereby accorded for continuation of Dr. Robert Spiegel as an Independent Director of the Company having attained the age of 75 years".

- To appoint Ms. Vidhi Dilip Shanghvi as a Non-Executive, Non-Independent Director of the Company**

To consider and, if thought fit, to pass, the following resolution, as an **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of Section 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force) and Regulation 17 and other the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Ms. Vidhi Dilip Shanghvi (DIN:06497350) who has been appointed as an Additional Non-Executive, Non-Independent Director with effect from July 15, 2024, by the Board of Directors based on the recommendation

of the Nomination and Remuneration Committee, be and is hereby appointed as a Non-Executive, Non-Independent Director of the Company, effective from July 15, 2024, who shall be liable to retire by rotation as per Section 152(6) of the Companies Act, 2013."

6. To approve raising of funds through equity shares, convertible warrants, preference shares/ bonds / debentures /any other instruments whether convertible into equity shares or not, American Depository Receipts ("ADRs"), Global Depository Receipts ("GDRs"), Foreign Currency Convertible Bonds ("FCCBs"), etc.

To consider and, if thought fit, to pass, the following enabling resolutions, as **Special Resolutions:**

"RESOLVED THAT in supersession of the special resolution passed by the members of the Company at the 18th Annual General Meeting ("AGM") held on August 7, 2023 and pursuant to the provisions of Sections 23, 41, 42, 55, 62, 71, 179, 180(1)(a), 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 ("Companies Act"), the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made thereunder (including any amendment(s), statutory modification(s) or re-enactment thereof), the provisions of the Memorandum of Association and Articles of the Articles of Association of the Company and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), the listing agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited ("Stock Exchanges") on which the equity shares having face value of Re. 1/- each of the Company ("Equity Shares") are listed, the provisions of the Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder, as amended (the "FEMA"), including the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended, Foreign Exchange Management (Debt Instruments) Rules, 2019, as amended, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended, the Depository Receipts Scheme, 2014, as amended, the extant Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, (the "Debt Listing Regulations"), the Reserve Bank of India Master Directions on Foreign Investment in India and subject to other applicable rules, regulations

and guidelines issued by the Ministry of Corporate Affairs ("MCA"), the relevant Registrar of Companies, Securities and Exchange Board of India ("SEBI"), Reserve Bank of India ("RBI"), Government of India ("Govt"), Stock Exchanges and / or any competent statutory, regulatory, governmental or any other authorities whether in India or abroad (herein referred to as "Applicable Regulatory Authorities"), from time to time and to the extent applicable, and subject to such approvals, permissions, consents and sanctions as may be necessary or required from the Applicable Regulatory Authorities in this regard and further subject to such terms and conditions or modifications as may be prescribed or imposed by any or all of them while granting any such approvals, permissions, consents and / or sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any committee thereof which the Board may duly have constituted or may hereinafter constitute to exercise its powers including the powers conferred by this Resolution), consent, authority and approval of the members of the Company, be and is hereby accorded to the Board and the Board be and is hereby authorised to create, offer, issue and allot (including with provisions for reservations on firm and/ or competitive basis, or such part of issue and for such categories of persons, including employees, as may be permitted) with or without green shoe option such number of equity shares, convertible warrants, preference shares/ bonds /debentures /any other instruments whether convertible into equity shares or not, American Depository Receipts ("ADRs"), Global Depository Receipts ("GDRs"), Foreign Currency Convertible Bonds ("FCCBs"), or any other securities or combinations of such securities (hereinafter collectively referred to as "Securities"), or any combination of Securities, in one or more tranches, whether Rupee denominated or denominated in one or more foreign currencies in the course of international and / or domestic offerings, in one or more foreign markets and/or domestic markets, through one or more public and/ or private offerings and/or rights offering and/ or by way of Qualified Institutions Placement("QIP"), or any combination thereof, through issue of prospectus and/or preliminary placement document, placement document and/or other permissible/ requisite offer documents to any eligible person, including Qualified Institutional Buyers ("QIBs") as defined under the SEBI ICDR Regulations, or otherwise, including foreign/ resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), alternate investment funds, foreign institutional investors, foreign portfolio investors, qualified foreign investors, Indian and/or multilateral financial institutions, non-resident Indians, stabilizing agents, pension funds and/ or any other categories of investors, whether they be holders of Securities of the Company or not (collectively

called the "Investors"), as may be decided by the Board in its discretion and permitted under applicable laws and regulations, for an aggregate consideration of up to Rs. 1,800 crores (Rupees One Thousand Eight Hundred Crores only) (inclusive of such premium as may be fixed on such Securities) at such time or times, at such price or prices, at a discount or premium to market price or prices, as permitted under applicable laws and in such manner and on such terms and conditions including security, rate of interest etc. and any other matters incidental thereto as may be deemed appropriate by the Board in its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment of Securities shall be made to the exclusion of other categories of Investors at the time of such creation, offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with book running lead manager(s) and/or underwriter(s) and/or other advisor(s) appointed and/or to be appointed by the Board, in foreign currency and/ or equivalent Indian Rupees as may be determined by the Board, or in any convertible foreign currency, as the Board in its absolute discretion may deem fit and appropriate (the "Issue").

RESOLVED FURTHER THAT if any issue of Securities is made by way of a QIP in terms of Chapter VI of the SEBI ICDR Regulations:

- (a) the allotments of the Securities, or any combination of Securities as may be decided by the Board, shall be completed within 365 days from the date of passing of the special resolution by the members or such other time as may be allowed under the SEBI ICDR Regulations from time to time;
- (b) the Securities shall not be eligible to be sold by the allottees for a period of 1 year from the date of allotments, except on a recognized stock exchange, or except as may be permitted under the SEBI ICDR Regulations;
- (c) the relevant date for the purpose of pricing of the Securities shall be the date of the meeting in which the Board decides to open the QIP and at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VI of the SEBI ICDR Regulations;
- (d) no single allottee shall be allotted more than 50% of the proposed QIP size and the minimum number of allottees shall be two, where the issue size is less than or equal to Rs 250 crores and five, where the issue size is greater than Rs 250 crores, in accordance with Chapter VI of the SEBI ICDR Regulations;
- (e) in the event that convertible securities and/or warrants which are convertible into Equity Shares of the Company are issued along with nonconvertible debentures to QIBs under Chapter VI of the SEBI ICDR Regulations, the relevant date for the purpose of pricing of such securities, shall be the date of the meeting in which the Board (or relevant committee thereof) decides to open the issue of such convertible securities and/or warrants simultaneously with non-convertible debentures or any other date in accordance with applicable law and such Securities shall be issued at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VI of the SEBI ICDR Regulations; and
- (f) the Board may, in accordance with applicable law, also offer a discount of not more than 5% or such percentage as permitted under applicable law on the price calculated in accordance with the pricing formula provided under the SEBI Regulations.

RESOLVED FURTHER THAT if any issue of Securities is made by way of a rights issue to the existing members of the Company as on a record date to be determined, including reservation of Equity Shares in favour of holders of outstanding convertible debt instruments, if any, as on a record date to be determined, in terms of Chapter III of the SEBI ICDR Regulations ("Rights Issue"), the same shall be on such other terms and conditions as may be mentioned in the draft letter of offer and letter of offer to be issued by the Company in respect of the Rights Issue, including:

- (a) rights to the existing members to whom the offer is made to renounce, the Equity Shares being offered, in favour of any other person(s) fully or party;
- (b) the persons to whom the Equity Shares are being issued shall be entitled to apply for additional Equity Shares in the Rights Issue;
- (c) the manner in which allotment of the additional Equity Shares, if any, shall be made in the proportion to be decided by the Board at its discretion;
- (d) the Securities to be so created, offered, issued, and allotted shall rank pari passu in all respects with the existing Securities, if any, of the Company and shall be subject to the provisions of the Memorandum of Association and the Articles of Association of the Company in a permissible way;
- (e) the Board may dispose of the unsubscribed portion in such manner as it may think most beneficial to the Company;

- (f) all monies received out of Rights Issue shall be transferred to a separate bank account maintained by the Company for the purpose of the Rights Issue;
- (g) the Company shall utilize the raised monies received pursuant to the Rights Issue upon a confirmation from the lead manager(s) to the bankers by way of copies of listing and trading approvals that all formalities in connection with the issue have been completed, in accordance with the provisions of the SEBI ICDR Regulations and other applicable laws;
- (h) details of all monies utilised raised out of the Rights Issue referred to in (g) hereinabove shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such monies had been utilized, or in any other manner as may be required under the applicable laws; and
- (i) details of all unutilised monies out of the Rights Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the form in which such unutilised monies have been invested, or in any other manner as may be required under the applicable laws.

RESOLVED FURTHER THAT the issue to the holders of the Securities, which are convertible into or exchangeable with Equity Shares at a later date shall be, inter alia, subject to the following terms and conditions:

- (a) in the event the Company is making a bonus issue by way of capitalization of its profits or reserves prior to the allotment of the Equity Shares, the number of Equity Shares to be allotted shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced pro tanto;
- (b) in the event the Company is making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares, the entitlement to the Equity Shares will stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities at the same price at which the same are offered to the existing members;
- (c) in the event of merger, amalgamation, takeover or any other re-organization or restructuring or any such corporate action, if and as required, the number of Equity Shares, the price and the time period as aforesaid shall be suitably adjusted; and
- (d) in the event of consolidation and/or division of outstanding Equity Shares into smaller number

of Equity Shares (including by way of stock split) or re-classification of the Securities into other securities and/or involvement in such other event or circumstances which in the opinion of concerned stock exchange requires such adjustments, necessary adjustments will be made.

RESOLVED FURTHER THAT in pursuance of the aforesaid resolutions the Equity Shares that may be issued by the Company (including issuance of the Equity Shares pursuant to conversion of any Securities, as the case may be in accordance with the terms of the offering) shall rank pari passu with the existing equity shares of the Company in all respects.

RESOLVED FURTHER THAT in the event the Securities are proposed to be issued as ADRs or GDRs, the relevant date for the purpose of pricing the Securities shall be the date of the meeting in which the Board decides to open the issue of such Securities in accordance with the Depository Receipts Scheme, 2014 (including any amendment or replacement/substitution thereof) and other applicable pricing provisions issued by the Ministry of Finance.

RESOLVED FURTHER THAT in the event the Securities are proposed to be issued as FCCBs, the relevant date for the purpose of pricing the Securities shall be the date of the meeting in which the Board decides to open the issue of such Securities in accordance with the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through the Depository Receipt Mechanism) Scheme, 1993 (including any amendment or replacement/substitution thereof) and other applicable pricing provisions issued by the Ministry of Finance.

RESOLVED FURTHER THAT in pursuance of the aforesaid resolutions the Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue or allotment of Equity Shares and/ or Securities or instruments representing the same, the Board be and is hereby authorised on behalf of the Company to seek listing of any or all of such Securities, on one or more Stock Exchanges in India and/ or outside India and the listing of Equity Shares underlying the ADRs and/or GDRs on the Stock Exchanges in India.

RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any, of any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting

such approval or permissions by such governmental authority or regulatory institution, the aforesaid Securities may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevailing practices in the capital markets including but not limited to the terms and conditions for issue if additional Securities and the Board subject to applicable laws, regulations and guidelines be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose of such Securities that are not subscribed.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized to negotiate, modify, sign, execute, register, deliver including sign any declarations required in connection with the private placement offer letter, information memorandum, draft prospectus, prospectus, the draft offer document, application form, Confirmation Allocation Note ("CAN"), abridged prospectus, offer letter, offer document, offer circular, preliminary placement document or placement document for issue of the Securities, term sheet, issue agreement, registrar agreement, escrow agreement, underwriting agreement, placement agreement, consortium agreement, trustee agreement, trust deed, subscription agreement, purchase agreement, agency agreement, agreements with the depositories, security documents, and other necessary agreements, memorandum of understanding, deeds, general undertaking/indemnity, certificates, consents, communications, affidavits, applications (including those to be filed with the regulatory authorities, if any) (the "Transaction Documents") (whether before or after execution of the Transaction Documents) together with all other documents, agreements, instruments, letters and writings required in connection with, or ancillary to, the Transaction Documents (the "Ancillary Documents") as may be necessary or required for the aforesaid purpose including to sign and/or dispatch all forms, filings, documents and notices to be signed, submitted and/ or dispatched by it under or in connection with the documents to which it is a party as well as to accept and execute any amendments to the Transaction Documents and the Ancillary Documents and further to do all such other acts, deeds mentioned herein as it may deem necessary in connection with the issue of the Securities in one or more tranches from time to time and matters connected therewith.

RESOLVED FURTHER THAT the Board be and is hereby authorized to engage/ appoint consultants, lead managers, underwriters, guarantors, depositories, custodians, registrars, stabilizing agent, escrow agent, trustees, bankers, legal advisors and any other advisors, professionals and intermediaries and all such agencies as may be involved or concerned in such offerings of

Securities and to remunerate them by way of commission, brokerage, fees or the like and to enter into and execute all contracts, agreements/ arrangements /memorandums of understanding /fee letters /documents with such agencies as may be required or desirable in connection with the issue and listing of the Securities, on any stock exchanges in India or abroad.

RESOLVED FURTHER THAT the Board or person(s) as may be authorized by the Board, be and is/are hereby severally authorised to finalize all the terms and conditions and the structure of the proposed Securities, to do all such acts, deeds, matters and things as it may be considered necessary desirable or expedient including to resolve and settle any questions and difficulties that may arise in connection with the proposed creation, offer, issue and allotment of the Securities.(including in relation to the issue of such Securities in one or more tranches from time to time) and the utilization of the issue proceeds in such manner as may be determined by the Board, subject however, to applicable laws, and to take such actions or give such directions as may be necessary or desirable and to obtain any approvals, permissions, sanctions which may be necessary or desirable, as it may deem fit or as the Board may suo moto decide in its absolute discretion in the best interests of the Company

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to a committee of the Board or any such persons as it may deem fit in its absolute discretion, with the power to take such steps and to do all such acts, deeds, matters and things as they may deem fit and proper for the purposes of the issue(s) and settle any questions or difficulties that may arise in regard to the issue(s)."

By Order of the Board of Directors

For Sun Pharma Advanced Research Company Limited

SD/-

Kajal Damania

Company Secretary and

Compliance Officer

Place: Mumbai

Date: July 15, 2024

Registered Office:

Plot No. 5 & 6/1, Savli G.I.D.C. Estate,

Savli - Vadodara Highway, Manjusar,

Vadodara - 391775, Gujarat, India.

CIN: L73100GJ2006PLC047837

Tel.: +91 02667 666800

Fax: +91 22 6645 5685

Website: www.sparc.life

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ('the Act') relating to the Ordinary/ Special Business(es) to be transacted at the 19th Annual General Meeting of the Company (the "Meeting" or "AGM") is annexed hereto. The relevant details as required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India (SS-2), in respect of the persons seeking appointment as Directors, are given under the heading "Profile of Directors" forming part of this Notice.
2. Pursuant to the General Circular No. 09/2023 dated September 25, 2023, issued by the Ministry of Corporate Affairs (MCA) and Circular SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 issued by SEBI (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through Video Conference (VC) or Other Audio-Visual Means ("OAVM"), without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC/ OAVM. The Registered Office of the Company shall be the deemed venue for the AGM.
3. Since the AGM is being held in accordance with the Circulars through VC / OAVM, the facility for the appointment of proxies by the members will not be available pursuant to MCA Circulars read with SEBI Circular for AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the members such as the President of India or the Governor of a State or body corporate can attend this AGM through VC/ OAVM and cast their votes through e-voting.
4. Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
5. Members are informed that in case of joint holders attending the AGM, only such joint holder whose name stands first in the Register of Members of the Company/ list of Beneficial Owners as received from Depositories in respect of such joint holding will be entitled to vote, provided the votes are not already cast by remote e-voting.
6. The members can join the AGM through VC/OAVM fifteen (15) minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large members (2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Auditors of the Company etc. who are allowed to attend the AGM without restriction on account of first come first served basis. members of the Company under the category of 'Institutional Investor' are encouraged to attend the Meeting and to exercise their vote.
7. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / Authorization letter etc. authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting at least 48 hours before the AGM. The said resolution / authorization shall be sent by e-mail to secretarial@sparcmail.com or upload on the e-voting portal i.e. www.evotingindia.com
8. Participation of members through VC / OAVM will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.
9. In compliance with the Circulars, the Annual Report for 2023-24, the Notice of the 19th AGM, and instructions for e-voting are being sent through electronic mode to those members whose email addresses are registered with the Company / depository participant(s) (DP).
10. In compliance with Section 108 of the Act, read with the corresponding rules, Regulation 44 of the LODR Regulations and in terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020, the Company has provided a facility to its members to exercise their votes electronically through the electronic voting (e-voting) facility provided by the Central Depository Services Limited (CDSL). Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the 'Instructions for e-voting' section which forms part of this Notice. The Board has appointed Mr. Alpesh Panchal, Company Secretary, Partner of KJB & Co. LLP, Practicing Company Secretaries, and failing him, Mr. Chintan Goswami, Company Secretary, Partner of KJB & Co. LLP, Practicing Company Secretaries, as the scrutinizer ("Scrutinizer") for conducting the e-voting process in a fair and transparent manner.
11. The register of directors and key managerial personnel (KMP) and their shareholding, maintained under Section 170 of the Act, and the register of contracts or arrangements in which the directors are interested, maintained under

Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to secretarial@sparcmail.com, mentioning their name, demat account number/folio number, e-mail id and mobile number.

12. Members holding shares either in physical or dematerialized mode, as on cut-off date, i.e. Monday, August 5, 2024, may cast their votes electronically. The e-voting period commences on Thursday, August 8, 2024 (9:00 a.m. IST) and ends on Sunday, August 11, 2024 (5:00 p.m. IST). The e-voting module will be disabled by CDSL thereafter. Members will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off

date, i.e. August 5, 2024. A person who is not a member as on the cut-off date is requested to treat this Notice for information purposes only.

13. The facility for voting during the AGM will also be made available. Members present in the AGM through VC / OAVM and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
14. We urge members to support our commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses, are requested to register their email addresses with their respective DP, and members holding shares in physical mode are requested to update their email addresses with the Company's RTA, Link Intime India

Private Limited at rnt.helpdesk@linkintime.co.in, to receive copies of the Annual Report FY2023-24 in electronic mode. Members may follow the process detailed below for registration of email ID to obtain the report.

Type of holder	Process to be followed	
Physical	For availing the following investor services, send a written request in the prescribed forms to the RTA of the Company, Link Intime India Private Limited either by email to rnt.helpdesk@linkintime.co.in or by post to Link Intime India Private Limited. The relevant forms prescribed by SEBI for furnishing the above details are available on the Company's website at www.sparc.life as well as on RTA's website at www.linkintime.co.in	
	Form for availing investor services to register PAN, email address, bank details and other KYC details or changes / update thereof for securities held in physical mode	Form ISR-1 https://sparc.life/wp-content/uploads/2023/09/Form-ISR-1_Request-for-registering-PAN-KYC-Details-or-Changes-or-Updation.pdf
	Declaration to opt out	ISR-3 https://sparc.life/wp-content/uploads/2023/09/Form-ISR-3_Declaration-Form-for-Opting-out-of-Nomination.pdf
	Update of signature of securities holder	Form ISR-2 https://sparc.life/wp-content/uploads/2023/09/Form-ISR-2_Confirmation-of-Signature-of-Securities-Holder-by-the-Banker.pdf
	For nomination as provided in Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014	Form ISR-13 https://sparc.life/wp-content/uploads/2023/09/Form-SH-13_Nomination.pdf

Type of holder	Process to be followed	
	Cancellation of nomination by the holder(s) (along with ISR-3) / Change of nominee	Form SH-14 https://sparc.life/wp-content/uploads/2023/09/Form-SH-14_Cancellation-or-Variation-of-Nomination.pdf
	Form for requesting issue of duplicate certificate and other service requests for shares / debentures / bonds, etc., held in physical mode	Form ISR-4 https://sparc.life/wp-content/uploads/2023/09/Form-ISR-4_Request-for-issue-of-Duplicate-Certificate-and-other-service.pdf
Demat	Please contact your DP and register your email address and bank account details in your demat account, as per the process advised by your DP	

15. Members may also note that the Notice of the 19th AGM and the Annual Report FY2023-24 will also be available on the Company's website at www.sparc.life, websites of the stock exchanges, i.e. BSE and NSE, at www.bseindia.com and www.nseindia.com, respectively and CDSL at www.evotingindia.com.
16. Members who would like to express their views/ ask questions during the AGM may register themselves as a speaker by sending their request, mentioning the name, Demat account number/folio number, email id, mobile number, at secretarial@sparcmail.com latest by August 08, 2024. Only those members who have registered themselves as speaker will be allowed to express their views/ ask questions during the AGM for a maximum time of 3 (three) minutes each, once the floor is open for members queries. The Company reserves the right to restrict the number of speakers and number of questions depending on the availability of time for the AGM.
17. Members who do not wish to speak during the AGM but have queries may send their queries, mentioning the name, securities demat account number/folio number, email id, mobile number, to secretarial@sparcmail.com. These queries will be suitably replied to by the Company.
18. The Scrutinizer will submit his report to the Chairman of the Company ("the Chairman") or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges, CDSL and RTA, and will also be displayed on the Company's website, www.sparc.life and on the notice board at the Registered Office and Corporate Office of the Company within the prescribed time.
19. Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to be passed on the date of the Meeting, that is, August 12, 2024.
20. In terms of the Listing Regulations, transfer of securities of listed companies held in physical form shall be effected only in demat mode. Further, SEBI, has also mandated that listed companies shall, while processing investor service requests pertaining to issue of duplicate share certificate, claim from Unclaimed Suspense Account, renewal/ exchange of share certificate, endorsement, sub-division / splitting / consolidation of share certificates, transmission, transposition etc. issue securities only in demat mode. In view of this to eliminate all risks associated with physical shares and to get inherent benefits of dematerialization, members holding shares in physical form are advised to avail the facility of dematerialization.
21. Instructions for Remote E-Voting and E-Voting during the AGM:
- The remote e-voting period begins on Thursday, August 08, 2024 at 9:00 a.m. (IST) and ends on Sunday, August 11, 2024 at 5:00 p.m. (IST)**, during this period, members of the Company holding shares either in physical form or in dematerialised form, as on the cut-off date, i.e. Monday, August 05, 2024, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Those members who will be present in the AGM through VC/ OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
 - Members who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

- iii. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020** under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its members, in respect of all members' resolutions. However, it has been observed that the participation by the public non-institutional members/retail members is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the members.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- iv. In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020** on e-Voting facility provided by Listed Companies, Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual members holding securities in Demat mode CDSL/NSDL** is given below:

Type of Members	Login Method
Individual Members holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Members holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of Members	Login Method
Individual Members (holding securities in demat mode) login through their Depository Participants (DP)	<p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p> <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e. **CDSL** and **NSDL**

Login type	Helpdesk details
Individual Members holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cslindia.com or contact at toll free no. 1800 22 55 33
Individual Members holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000

v. Login method for e-Voting and joining virtual meetings for **Physical members and members other than individual holding in Demat form.**

- The members should log on to the e-voting website www.evotingindia.com.
- Click on "Members" module.
- Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

- If you are a first-time user follow the steps given below:

Login type	For Physical members and other than Individual Members holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat members as well as physical members) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- vi. After entering these details appropriately, click on "SUBMIT" tab.
- vii. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- viii. For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- ix. Click on the EVSN : 240621005 for the Sun Pharma Advanced Research Company Limited.
- x. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xi. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xii. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xiv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xv. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvi. There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutinizer for verification.
- xvii. **Additional Facility for Non - Individual Members and Custodians -For Remote Voting only.**
 - Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual Members are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly

authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; secretarial@sparcmail.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

Process for members to register / update their e-mail addresses/ mobile nos. with the depositories/RTA:

- 1) For Physical Members - please provide necessary details like Folio No., Name of members, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) by e-mail to Company/RTA e-mail id.
- 2) For Demat Members - Please update your e-mail id & mobile no. with your respective Depository Participant (DP).
- 3) For Individual Demat Members - Please update your e-mail id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

xviii. Instructions for members attending the AGM/ EGM through VC/OAVM & e-voting during meeting are as under:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Members who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Members are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. If any Votes are cast by the members through the e-voting available during the EGM/AGM and if the same members have not participated in the meeting through VC/OAVM facility, then the votes cast by such members may be considered invalid as the facility of e-voting during the meeting is available only to the members attending the meeting.

xix. In case you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800225533

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

By Order of the Board of Directors

For Sun Pharma Advanced Research Company Limited

SD/-

Kajal Damania

Company Secretary and
Compliance Officer

Place: Mumbai

Date: July 15, 2024

Registered Office:

Plot No. 5 & 6/1, Savli G.I.D.C. Estate,
Savli - Vadodara Highway, Manjusar,
Vadodara - 391775, Gujarat, India.
CIN: L73100GJ2006PLC047837
Tel.: +91 02667 666800
Fax: +91 22 6645 5685
Website: www.sparc.life

As required under Section 102 of the Companies Act, 2013 ("the Act"), the following Explanatory Statement sets out material facts relating to the Special Business as set out at Item Nos. 3 to 6 of the accompanying Notice dated July 15, 2024.

Item No. 3

Mr. Sudhir V. Valia (DIN: 00005561), Director liable to retire by rotation, who does not seek re-election:

Under the provisions of Section 152 of the Act, at least one-third of the directors who are liable to retire by rotation, shall retire at every Annual General Meeting of the Company. Mr. Sudhir V. Valia, Non-executive Director of the Board, retires by rotation at this 19th AGM and has expressed his unwillingness for re-appointment. However, consequent to above retirement and in compliance with Regulation 17 of SEBI, Listing Regulations, Ms. Vidhi Dilip Shanghvi has been appointed as an additional Director with effect from July 15, 2024 given that the Board is adequately composed, the Company does not intend to fill up the vacancy caused by the retirement of Mr. Sudhir V. Valia. Hence, as required under Section 152 of the Act, an ordinary resolution is proposed not to fill up the vacancy caused by the retirement of Mr. Sudhir V. Valia

The Board recommends the Resolution as set out at Item no. 3 of the Notice for approval of the Members as an Ordinary Resolution.

Except Mr. Sudhir V. Valia, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution as set out in Item No. 3 of this Notice.

Item No. 4

To Re-appoint Dr. Robert J. Spiegel (DIN: 08739625) as an Independent Director of the Company for a second term of five years:

Dr. Robert J. Spiegel (DIN: 08739625) was appointed as an Independent Director of the Company at its 15th Annual General Meeting held on September 30, 2020 for a term of 5 (five) years from June 1, 2020 upto May 31, 2025 under the provisions of Section 149 and Section 152 of the Act. Since he shall complete his first term on May 31, 2025, he is eligible for reappointment for second term as an Independent Director.

Based on the recommendation of the Nomination and Remuneration Committee, considering the skills, experience, knowledge he possess and the report of performance evaluation of the Independent Directors for the financial year 2023-24, the Board at its meeting held on May 24, 2024 recommended for the approval of the members, the re-appointment of **Dr. Robert J. Spiegel** for a second term of consecutive five years from June 1, 2025 to May 31, 2030 in terms of section 149 read with Schedule IV to the Act ('the Act'), SEBI Listing Regulations or any amendment thereto or modification thereof.

In accordance with section 149(10) and (11) of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. **Dr. Robert J. Spiegel** fulfils the requirements of an Independent Director as laid down under section 149(6) of the Act and regulation 16 of the SEBI Listing Regulations.

Dr. Robert Spiegel has accorded his consent to act as a director and have also submitted the declaration of independence, as required pursuant to section 149(7) of the Act, stating that he meets the criteria of independence as provided in section 149(6) of the Act and Regulation 16 of SEBI Listing Regulations are not disqualified from being appointed as a director in terms of section 164 of the Act.

The Board is of the opinion that Dr. Robert J. Spiegel possesses requisite skills, experience and knowledge relevant to the Company's business and it would be of immense benefit to the Company to continue to have his association with the Company as an Independent Director of the Company.

According to section 152 of the Act read with Schedule IV to the Act, in the opinion of the Board, the proposed re-appointment fulfils the conditions specified in the Act and the Rules made thereunder as also the applicable provisions of SEBI Listing Regulations, and is independent of the Management.

As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 as amended from time to time, inter alia, provides that "no listed Company shall appoint a person or continue the directorship of any person as a non-executive or Independent director who has attained the age of 75 (seventy five) years unless it is approved by the members by passing a special resolution to that effect". Accordingly, considering his valuable contribution to the Company, his experience, his commendable performance and his vast R&D and operational experience in biopharmaceuticals during his tenure as Independent Director, the Board recommends re-appointment of Dr. Robert J. Spiegel for a second term of five years effective from June 1, 2025 up to May 31, 2030 having attained the age of 75 years.

The brief profile of Dr. Robert J. Spiegel is provided under heading "Profile of Directors" forming part of this Notice.

Information pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) of ICSI detailing the brief profile of the Directors are annexed to this notice. The terms & conditions of appointment of Independent Directors are also available on the web-site of

the Company and can be accessed through the web link <https://sparc.life/statutory-disclosures/policies-and-codes/>

Accordingly, the Nomination & Remuneration Committee and the Board recommends the Resolution as set out at item no. 4 of the Notice for approval of the Members as a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Dr. Robert J. Spiegel himself, to whom this resolution pertains interested in the resolution as set out at Item no. 4 of this Notice.

Item No. 5

To appoint Ms. Vidhi Dilip Shanghvi as a Non-Executive, Non-Independent Director of the Company:

Since Mr. Sudhir Valia is not being re-appointed, the strength of the Board excluding Ms. Vidhi Shanghvi is 5, hence in compliance with the Regulation 17 of SEBI, Listing Regulations which mandates that the Board of Directors of the Company shall comprise of minimum 6 Directors. The Nomination and Remuneration Committee ("NRC"), considered the candidature of Ms. Vidhi Dilip Shanghvi who is graduated in economics from the Wharton School of the University of Pennsylvania and heading the Consumer Healthcare and Nutrition and India Distribution at Sun Pharmaceuticals Industries Ltd. and approved the appointment of Ms. Vidhi Dilip Shanghvi as an Additional Non-Executive, Non-Independent Director. Based on the approval and recommendation of the NRC, the Board of Directors, at its meeting held on July 15, 2024, has approved appointment of Ms. Vidhi Dilip Shanghvi, as an Additional Non-Executive, Non-Independent Director from July 15, 2024, subject to approval of the members. Ms. Vidhi Shanghvi fulfils all the criteria for being eligible for her appointment. She is neither disqualified under Section 164 of the Act, nor debarred by virtue of any order of Securities and Exchange Board of India or any other such authority from holding office as a Director.

Brief profile of Ms. Vidhi Dilip Shanghvi and other particulars, as required pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, are provided under the head "Profile of Directors" forming part of this Notice.

The Board recommends that, considering her knowledge and wide experience, her association would be of immense benefit to the Company.

In terms of Section 161(1) of the Act, Ms. Vidhi Dilip Shanghvi has been appointed as an Additional Director, holding office up to this Annual General Meeting. Also, appointment of a director is required to be approved by the members within a time period of three months from the appointment or at the next general

meeting, whichever is earlier, pursuant to Regulation 17(1C) of Listing Regulations.

Ms. Vidhi Shanghvi is daughter of Mr. Dilip Shanghvi, Promoter and Chairman of the Company.

The Board recommends the Resolution as set out at Item no. 5 of the Notice for approval of the Members as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company, other than Mr. Dilip Shanghvi and his relatives, to whom this resolution pertains, are in any way concerned or interested in the resolution as set out at Item No. 5 of this Notice.

Item No. 6

To approve raising of funds through equity shares, convertible warrants, preference shares/ bonds / debentures /any other instruments whether convertible into equity or not, American Depository Receipts ("ADRs"), Global Depository Receipts ("GDRs"), Foreign Currency Convertible Bonds ("FCCBs"), etc.

In view of the future outlook of the Company, its growth targets and prospects, the Company may require additional funding. While it is expected that the internal generation of funds would partially finance the need for capital but, it is thought prudent for the Company to have enabling approval to raise funds through the issue of appropriate securities as mentioned below.

An enabling Resolution in this regard was passed by the members at the 18th Annual General Meeting held on August 07, 2023, for Rs. 1800 crore (Rupees One Thousand Eight Hundred crore) which was valid for 365 days. No amount was raised by the Company pursuant to the said enabling Resolution. Since, the expiry date of the aforesaid approval from members is approaching, the Board of Directors ("Board") of the Company in its meeting held on May 24, 2024 decided to seek a fresh in principal approval from the members on the fund raising for the same amount, as also to have the flexibility in timing of raising of funds as and when it is required, and approved the raising of capital by the Company through further public offer or issuance of American Depository Receipts / Global Depository Receipts / Foreign Currency Convertible Bonds or qualified institutions placement or through a combination thereof, as may be considered appropriate, subject to requisite approvals.

In order to enable the Company to raise funds through a public issue and/or private offering and/or rights offering and/or qualified institutions placement or any combination thereof, the approval of the members is hereby sought for the proposal to create, offer, issue and allot equity shares of the Company of face value of Re. 1/- each ("Equity Shares") convertible warrants, preference shares/ bonds /debentures /any other instruments whether convertible into equity shares or not, American Depository Receipts ("ADRs"), Global Depository Receipts ("GDRs"), Foreign Currency Convertible Bonds ("FCCBs"), or any other securities (collectively referred to

as "Securities") or any combination of Securities, in one or more tranches, to eligible investors, whether they being existing members or not, as may be decided by the Board in its discretion and permitted under applicable laws, for an aggregate consideration of up to Rs. 1,800 Crores (Rupees One Thousand Eight Hundred Crores only) or equivalent thereof, in one or more currency(ies).

As the issue may result in the issue of Equity Shares of the Company to investor(s) who may or may not be members of the Company, consent of the members is being sought pursuant to Section 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and any other law, rules and regulations for the time being in force and being applicable.

In case of issuance of securities through a qualified institutions placement ("QIP"), in terms of Chapter VI of the SEBI ICDR Regulations, an issue of securities pursuant to a QIP shall be made at a price not less than the average of the weekly high and low of the closing prices of the equity shares of the same class quoted on the stock exchange during the two weeks preceding the "relevant date." The relevant date for the purpose of pricing of the securities shall be the date of the meeting in which the Board decides to open the QIP and at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VI of the SEBI Regulations. In case of a QIP, the special resolution has a validity period of 365 days within which allotments under the authority of said resolution should be completed.

In case of issuance of ADRs or GDRs, the relevant date for the purpose of pricing the Securities shall be the date of the meeting in which the Board decides to open the issue of such Securities in accordance with the Depository Receipts Scheme, 2014 and other applicable pricing provisions issued by the Ministry of Finance.

In case of issuance of FCCBs, the relevant date for the purpose of pricing the Securities shall be the date of the meeting in which the Board decides to open the issue of such Securities in accordance with the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 and other applicable pricing provisions issued by the Ministry of Finance.

The issue / allotment / conversion would be subject to the receipt by the Company of regulatory approvals, if any. The conversion of Securities held by foreign investors, into Equity Shares would be subject to the applicable foreign investment cap.

The proceeds of the proposed issue of Securities shall be utilized for any of the purposes as may be decided by the Board, subject to applicable laws. The Resolution at Item No. 5 is an enabling resolution conferring authority on the Board to do all acts

and deeds, which may be required to issue/offer Securities of appropriate nature at appropriate time, including the size, structure, price and timing of the issue(s) /offer(s) at the appropriate time(s). The detailed terms and conditions for the domestic/international offering will be determined in consultation with the lead managers, merchant bankers, global business coordinators, guarantors, consultants, advisors, underwriters and/or such other intermediaries as may be appointed for the issue/offer. Wherever necessary and applicable, the pricing of the issue/ offer will be finalized in accordance with applicable guidelines in force. As and when the Board takes a decision on matters on which it has the discretion, necessary disclosures will be made to the relevant stock exchanges on which the Equity Shares are listed under the provisions of the SEBI Listing Regulations.

In case the securities to be issued are Debentures or any other debt instruments then in such case the resolution passed herein above shall also be treated as the approval for the limits in terms of 180(1)(a) and 180(1)(c) of the Companies Act, 2013 and the existing limits under the said sections approved by the members of the Company at their extra ordinary general meeting held on April 26, 2021 shall not in any case be affected.

The Directors accordingly recommend this resolution at Item No. 5 of the Notice for the approval of the members of the Company as an enabling special resolution.

None of the Directors or Key Managerial Personnel of the Company and / or their relatives are concerned or interested, financially or otherwise, in the proposed resolution except to the extent of his/her holding of Equity Shares and to the extent of his/her subscribing to Equity Shares if and when issued as also to the extent of subscription by a financial institution/ company/ body corporate in which the KMPs, Director or his/her relative may be directly or indirectly interested.

By Order of the Board of Directors

For Sun Pharma Advanced Research Company Limited

Sd/-

Kajal Damania

Company Secretary and
Compliance Officer

Place: Mumbai

Date: July 15, 2024

Registered Office:

Plot No. 5 & 6/1, Savli G.I.D.C. Estate,
Savli - Vadodara Highway, Manjusar,
Vadodara - 391775, Gujarat, India.

CIN: L73100GJ2006PLC047837

Tel.: +91 02667 666800

Fax: +91 22 6645 5685

Website: www.sparc.life

PROFILE OF DIRECTORS

As required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and under Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India (SS - 2), the particulars of Directors who are proposed to be appointed / re-appointed, at this 19th AGM, are given below.

The details of Board and Committee Meetings attended by these Directors during the financial year 2023-24 are stated in the Corporate Governance Report which forms part of this Annual Report.

Particulars	Dr. Robert J. Spiegel
DIN	08739625
Age	75 Years
Qualification & experience	<p>Dr. Spiegel received his B.A. from Yale University and his M.D. from the University of Pennsylvania. He completed his specialty training at the National Cancer Institute, National Institutes of Health (NIH).</p> <p>Dr. Spiegel was an Assistant Professor and Director of the Developmental Therapeutics Program at NYU Medical Center and then spent over 25 years at Schering-Plough where he joined as the first Director for Oncology Clinical Research. He subsequently held a series of senior executive positions, including Senior Vice President for worldwide Clinical Research and Chief Medical Officer. During his time at Schering-Plough he took numerous drug candidates through clinical development and was involved with over 30 NDA approvals at the FDA. Since 2010 Dr. Spiegel has been a consultant to the biotech industry and has served on the Scientific Advisory Board and Board of Directors of multiple biotech companies. He currently serves on the Board of Directors of Geron Corp, Cyclacel Pharmaceuticals, and Ayala Pharma. He is currently the president of Spiegel Consulting LLC and an Assistant Professor of Medicine at Weill Cornell Medical College. He is also a Senior Advisor to the private equity firm Warburg Pincus and an Advisor to the Israel Biotech Fund.</p>
Expertise in specific functional area	He has over 40 years of extensive R&D and operational experience in biopharmaceuticals including Big Pharma, biotech, and academic startups as well as interactions advising venture capital and private equity.
Relationship with other Directors, Manager and Key Managerial Personnel of the Company	Dr. Robert J. Spiegel is not related to any other Directors or Key Managerial Personnel of the Company
Directorship held in other listed companies	NIL
Membership/ Chairmanships of Committees of other Indian Companies	NA
No. of Shares held in the Company as on March 31 2024	NIL

SUN PHARMA ADVANCED RESEARCH COMPANY LIMITED

Name of the Director	Ms. Vidhi Dilip Shanghvi
DIN	06497350
Age	37 years
Brief resume of the Director :	<p>Ms. Vidhi Shanghvi is Graduate in economics from the Wharton School of the University of Pennsylvania. Ms. Vidhi Shanghvi is a Vice President at Sun Pharmaceuticals Industries Ltd and is the Head of Consumer Healthcare and Nutrition and India Distribution. She has been with Sun Pharma for over a decade and is an alumna of the Wharton School of the University of Pennsylvania.</p> <p>Before officially taking charge as Head of the Consumer Division, she worked with the marketing function of the Sun Pharma India Business.</p> <p>She is passionate about mental health and is the founder of Mann Talks, a not-for-profit mental health initiative that focuses on empowering individuals to take charge of their mental health by offering free and holistic mental health solutions</p>
Nature of expertise in specific functional areas	Ms. Vidhi Shanghvi is a Vice President at Sun Pharmaceuticals Industries Ltd and is the Head of Consumer Healthcare and Nutrition and India Distribution. She has been with Sun Pharma for over a decade.
The skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Strategic Thinking, Planning, Problem Solving, Decision Making, Leadership, Analytical Approach. Ms. Vidhi Shanghvi has been with Sun Pharmaceutical Industries Ltd. for over a decade and is in a leadership role and hence fulfils the above-mentioned skills required for her role in the Company.
Date of First appointment on the Board	July 15, 2024
Directorship held in other companies (excluding foreign companies and section 8 companies)	ITI Finvest Limited Sun Petrochemicals Private Limited Vivaldis Health and Foods Private Limited
Membership / Chairmanships of Committees of other public Companies	NIL
Listed entities from which the person has resigned in the past three years	NIL
Inter-se Relationship between Directors	Ms. Vidhi Shanghvi is the daughter of Mr. Dilip Shanghvi, Chairman, Non-Executive Director and Promoter of the Company
No. of Shares held in the Company (singly or jointly as first holder) as on date of this Notice	3,44,081 shares



Sun Pharma Advanced Research Company Ltd.

Plot No. 5 & 6/1, Savli G.I.D.C. Estate,
Savli - Vadodara Highway, Manjusar,
District Vadodara – 391 775.
CIN: L73100GJ2006PLC047837

www.sparc.life

