

CSD/NSE&BSE/AR2024/2024-25  
July 16, 2024

**To**  
**The Manager**  
**Department of Corporate Services**  
**BSE Limited**  
**25th Floor, P. J. Towers,**  
**Dalal Street, Mumbai - 400001**

**To**  
**The Manager**  
**Listing Department**  
**National Stock Exchange of India Limited**  
**Exchange Plaza, Bandra Kurla Complex**  
**Bandra (E), Mumbai – 400051**

**Scrip Code: 543064**

**Scrip Symbol: SUVENPHAR**

Dear Sir/Madam,

**Sub: Notice of the Sixth Annual General Meeting (AGM) and Annual Report 2023-24**

With reference to the above subject, pursuant to Regulation 34 of the SEBI ((Listing Obligations and Disclosure Requirements) Regulations, 2015 please find enclosed herewith the Notice convening the 6th AGM of the Members of the Company and the Annual Report for the fiscal 2024 which is simultaneously circulated to the shareholders through electronic mode.

The 6th AGM will be held on Friday, August 09th, 2024 at 04:30 p.m. IST, through Video Conference (VC) / Other Audio Visual Means (OAVM). The Notice and Annual Report will also be hosted on the Company's website at: <https://suvanpharm.com/financial-info/> .

The schedule of the AGM is set out below:

<b>Event</b>	<b>Event details</b>
Date and time of AGM	Friday, August 09, 2024 at 04:30 p.m. IST
Mode	Video Conference (VC)/Other Audio-Visual Means (OAVM)
Cut-off date for e-voting	Friday, August 02, 2024
E-voting start date and time	Monday, August 05, 2024 at 9.00 a.m. IST
E-voting end date and time	Thursday, August 08, 2024 at 5.00 p.m. IST
E-voting website of KFinTech	<a href="https://evoting.kfintech.com/">https://evoting.kfintech.com/</a>

This is for your information and record.

Thanking you,  
Yours faithfully,  
For **Suven Pharmaceuticals Limited**

**K Hanumantha Rao**  
Company Secretary

Encl: as above

## **Suven Pharmaceuticals Limited**

**Registered Office:** # 215 Atrium, C Wing, 8th Floor, 819-821, Andheri Kurla Road, Chakala, Andheri East, Chakala Midc, Mumbai- 400093, Maharashtra, India  
Tel: 91 22 61539999

**Corporate Office:** # 202, A-Wing, Galaxy Towers, Plot No.1, Hyderabad Knowledge City, TSIC, Raidurg, Hyderabad - 500081 Telangana, India  
Tel: 91 40 2354 9414 / 3311

Email: [info@suvanpharm.com](mailto:info@suvanpharm.com) | Website: [www.suvanpharm.com](http://www.suvanpharm.com) | CIN: L24299MH2018PLC422236

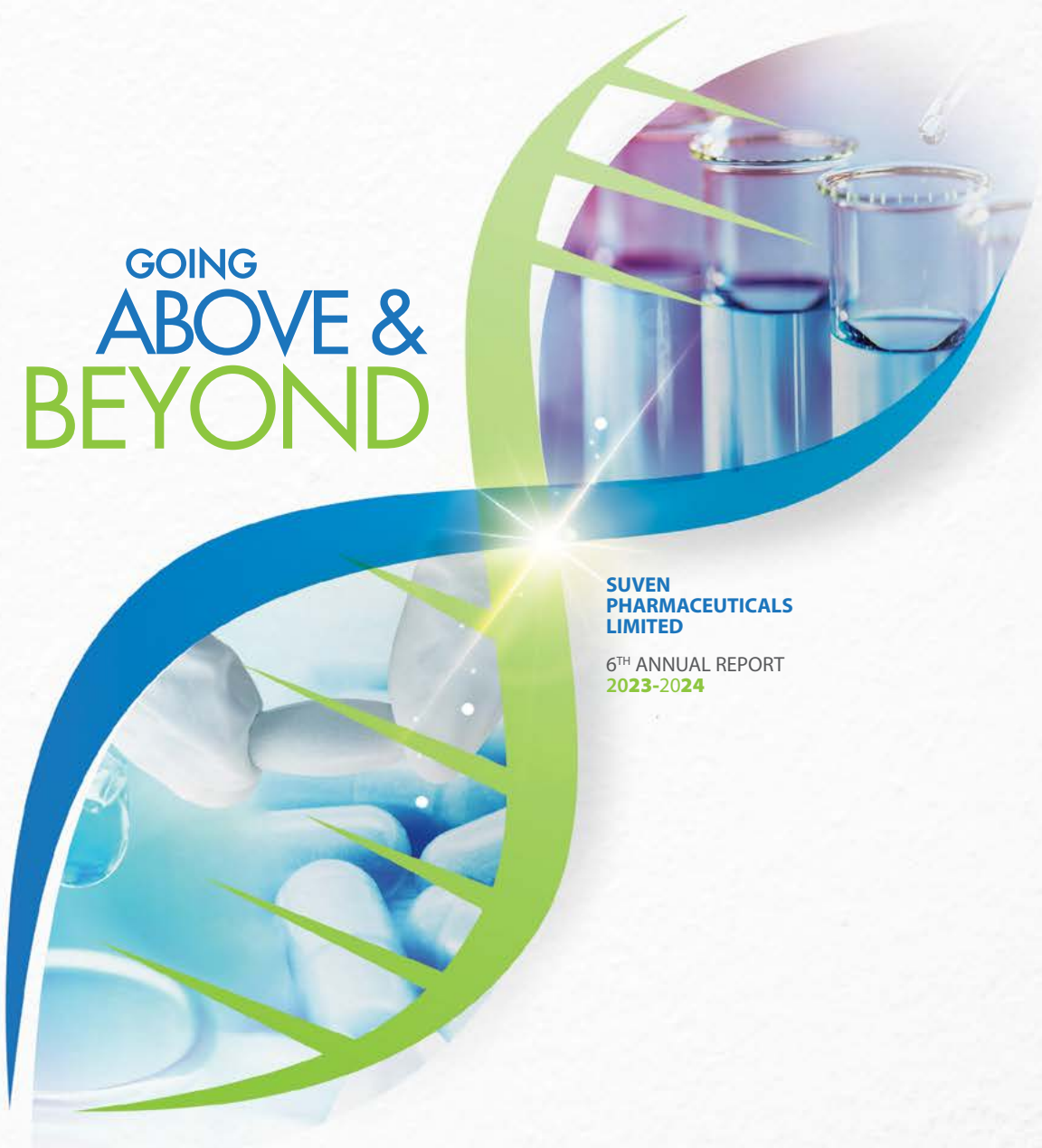


SUVEN PHARMACEUTICALS LIMITED  
6<sup>TH</sup> ANNUAL REPORT 2023-24

GOING  
ABOVE &  
BEYOND

SUVEN  
PHARMACEUTICALS  
LIMITED


6<sup>TH</sup> ANNUAL REPORT  
2023-2024



# Contents

<b>01</b>	Going Above & Beyond
<b>03</b>	Statement from the Chairman's Desk
<b>08</b>	About the Company
<b>10</b>	Key Performance Indicators
<b>12</b>	Our Unique Edge
<b>15</b>	Statement from the Managing Director
<b>20</b>	Merger of Cohance Lifesciences
<b>24</b>	Board of Directors
<b>28</b>	Management Team
<b>31</b>	Management Discussion & Analysis
<b>43</b>	Sustainability & Social Responsibility
<b>46</b>	Board's Report
<b>68</b>	Report on Corporate Governance
<b>90</b>	Standalone Financial Statements
<b>166</b>	Consolidated Financial Statements
<b>244</b>	Notice
<b>256</b>	Corporate Information





**I**N today's competitive landscape, beating the clutter with service is key to sustained success.

For it means understanding the client. His needs. His expectations. His priorities. His timelines.

And exhibit flexibility to align with diverse requirements. Project after Project. Client after Client.

Going the extra mile allows the business to differentiate itself and leave a lasting positive impression on its customers.

It fosters trust. Strong enough to generate repeat and referral business. And make success sustainable.

At Suven Pharma, our ability to consistently deliver on our commitment against all odds has catalysed business growth and transformed the Company from a domestic CDMO player to a global CDMO partner-of-choice for marquee brands.

We sum up our ethos  
in just **three words...**

**GOING  
ABOVE &  
BEYOND**





STATEMENT FROM THE  
**CHAIRMAN'S DESK**

"AT SUVEN, WE ARE FIRMLY PLACED TO CAPITALISE ON IMPROVING THE LANDSCAPE. WE HAVE FIRMED OUR BUSINESS STRATEGIES AND ARE WORKING TO FILL IN THE GAPS TO HELP US ALIGN BETTER WITH THE SECTORAL DYNAMISM. OUR RESOLUTE INTENT IS TO ENSURE SUVEN'S ACCELERATED PROFITABLE GROWTH. AND WE WILL LEAVE NO STONE UNTURNED TO REACH OUR GOAL."





**MR ANNASWAMY VAIDHEESH**  
EXECUTIVE CHAIRMAN

DEAR  
**SHAREHOLDERS,**

This is my first address as the Chairman of this distinguished organisation, and it is a pleasure to connect with you through this statement.

The year was momentous for the commendable progress we have made in streamlining the business and crafting the contours of our operating template, which promises sustained growth.

**The past**

Reflecting on the past year, 2023 was challenging for the pharmaceutical industry. The sector faced numerous headwinds, including late-stage asset failures, normalisation of COVID-19 product revenues, and inflationary pressures. Despite these challenges, Big Pharma continued to invest in technology and innovation, especially in the ADC and Obesity Drug sectors. This year, we also saw a trend reversal, with Big Pharma now contributing a larger share of drugs to the overall pipeline.

The overall clinical pipeline has reached 22,825 projects<sup>1</sup>. This robust pipeline is a testament to the industry's innovation momentum. We anticipate increased Requests for Quotations (RFQs), given the increasing trend of RFQs received in the last few months. Our advanced R&D, manufacturing capabilities and excellent delivery track records position us well to capitalise on this trend. Our client interactions and the considerable increase in the RFQ inflows corroborate this conviction.

<sup>1</sup>Source: Citeline



## The future

Interestingly, CDMOs are shifting their business model in response to a changing environment. Earlier, they were predominantly focused on serving as external service providers for manufacturing mature pharmaceuticals. However, they have increasingly become innovation leaders and are covering more areas of the pharmaceutical business, not only manufacturing but also adding additional revenue streams. Through M&A strategies, CDMOs have rapidly expanded their capabilities and can deliver technically advanced services at scale. The global pharmaceutical CDMO market size accounted for USD 146.29 billion in 2023 and will reach about USD 295.95 billion by 2033 at a CAGR of 7.3% from 2024 to 2033, according to a new report by Nova One Advisor.

The agrochemical sector has experienced headwinds owing to the de-stocking and price adjustments. Cognizant that inflation and interest rates are expected to cool down in 2024 and the underlying fundamentals of the agriculture sector remain firm, we should see a trend reversal from 2025. This augurs well for our business as we plan to create a special business unit for this vertical for sharpened focus.

There can be no denying that the world is continuing to be hit by multiple shocks, be it the climate emergency, geopolitical disequilibrium, human conflicts, supply chain and energy volatility. Under these trying circumstances, India has prudently balanced its position to remain rooted in its journey of progress.

The turmoil across the world is expected to widen the opportunity window for the Indian CDMO spaces as global players seek to de-risk their supply chains.

**Europe:** There are significant concerns around the cost of manufacturing drugs on account of price rises in utilities, logistics, and raw materials. It is increasingly difficult for manufacturers to operate in an environment combining rampant cost inflation with policies that continuously lower drug prices. Margin pressures in the West are driving enterprises to shift their sourcing base towards Asia.

**China+1:** Global Innovator companies are increasingly looking to outsource late-stage molecules to India. Policy restrictions on outsourcing to China fuelled by geopolitical fragilities and Environmental/Health/Sustainability (EHS) concerns have further heightened their apprehension of completely relying on China for their requirements. Moreover, the USA's Biosecure Act proposes upon regulation (scheduled 2032) prohibits US businesses from collaborating with Chinese biotechnology companies. It bars agencies from contracting with any entity that uses such equipment or services. The potential exclusion of Chinese biotechnology firms from the U.S. market creates opportunities for Indian CDMOs to fill the gap and expand their business.

Conversely, India is a viable low-cost alternative to companies looking to de-risk supply chains away from China.

The country is growing in tech capabilities and talent in chemistry. There is an increasing focus on robust manufacturing capacity in terms of quality, further supported by encouraging Government policies.

At Suven, we are firmly placed to capitalise on improving the landscape. We have firmed our business strategies and are working to fill in the gaps to help us align better with the sectoral dynamism. We have recognised some opportunities for technology platforms and are constantly scouting for meaningful technology platforms (like Sapala Organics) which will enable Suven's growth journey.

Our resolute intent is to ensure Suven's accelerated profitable growth. And we will leave no stone unturned to reach our goal.

I wish to express my most sincere gratitude towards our employees, who are our most precious assets, in addition to our customers, for their undeterred trust, and all our stakeholders for their continued support and faith. **This synergy navigates us ahead, motivates us to exceed stakeholder expectations, and remain value driven.**

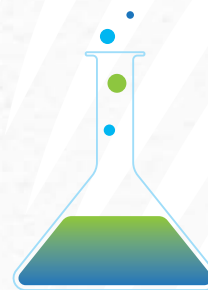


## SUVEN PHARMA: JOURNEY TO BECOMING INDIA'S MOST ADMIRERD CDMO COMPANY BY 2029

Suven Pharma is a CDMO company operating from RSMs to intermediates and APIs, offering developmental and manufacturing services to global pharma innovators. Global Innovator companies that outsource part of their R&D work reach out to the Company to develop intermediates/ RSMs and manufacture trial quantities to improve their development time and optimise costs. They need reliable partners for outsourcing who have a good range of chemistry capabilities, manufacturing capacity (availability in GMP/Non-GMP, OEB-4 handling, good EHS & Quality practices), adherence to delivery timelines, and providing best-in-class cost and transparency.

Suven's customers prefer to work with them because they have a proven track record of going above and beyond their delivery commitments. Suven Pharma is on par with its innovator partners, considering its chemistry range, EHS & Quality standards, data integrity, and respect for customers' IP. It is the Company's priority to continue to invest in upgrading these capabilities to stay relevant in future.

The Company aspires to double the sales of its Pharma CDMO business over the next five years while maintaining industry-leading EBITDA margins. This growth strategy has five building blocks, which have been translated into execution priorities.



## Five strategic building blocks



### Scale and deepen existing relationships

The Company aims to become the Tier-1 supplier to the top 5 customers; hence, we will build and deploy strong key account management



### Scale-up developmental revenues

The Company will invest further in building the next-order infrastructure to support growth



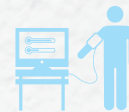
### Moving up the value chain

Suven will deepen the existing relationships by moving up the value chain from intermediates to API levels



### Build a winning lateral business

The Company will farm existing customers for lateral opportunities with effective tech transfers



### Incubate/acquire select new technologies for the future

Suven will build/acquire new technology in flow chemistry and oligonucleotides (e.g., Sapala Organics), etc., to enhance their capability basket and become future-ready

Finally, they will design and deploy the right organisational structure that:

- enables quicker decision-making
- enables clear accountability for every priority growth pillar and
- fosters ownership



This is how Suven aspires to grow and become **India's most admired CDMO player...**



# SUVEN PHARMA IS AN INTEGRATED CDMO COMPANY CATERING TO LEADING GLOBAL PHARMACEUTICAL AND FINE CHEMICAL MAJORS IN THEIR NCE DEVELOPMENT INITIATIVES

Based out of Hyderabad, Suven Pharma is dedicated to delivering projects that exceed customer expectations. It offers services covering the entire gamut of activities from process research and development to late-stage clinical and commercial manufacturing.

### Our business model



### Suven Pharma in Numbers

(March 31, 2024)

1,155+

TEAM SIZE



100+

ACTIVE PROJECTS



2,092

CAPITAL EMPLOYED  
(₹ crore)

### Financial performance, FY24

1,080

REVENUE FROM OPERATION  
(₹ crore)



465

EBITDA  
(₹ crore)



305

NET PROFIT  
(₹ crore)

43\*

EBITDA MARGIN  
(%)



0.19

RETURN ON CAPITAL EMPLOYED  
(%)



17,237

MARKET CAPITALISATION  
(₹ crore)

\*including other income



## Our Facilities



### Vizag, Andhra Pradesh, India

307 KL reactor volume  
3KL to 12KL Reactors  
GL/SS (45No's)  
API's/Advanced Intermediate's/  
CMO



### Pashamylaram, Telangana, India

API & Formulation Facility  
120 kL reaction volume  
50L - 6,000 L GL/SS (45)  
R&D



### Suryapet, Telangana, India

Intermediate Facility  
300 CM reactors (93)  
500L to 10 KL GL/SS  
GMP Intermediates



### Jeedimetla, Telangana, India

R&D-Pilot Plant  
Process Research, Discovery R&D,  
Analytical R&D, Killo lab  
30L CM Reactors (32)  
50L - 4000 L GL/SS



### New Jersey, USA

Business Office  
Business Development  
Project Management  
Customer Interface



### Genome Valley

R&D  
Synergy Square I, Genome Valley,  
Shamirpet, Hyderabad,  
Telangana – 500078

# KEY PERFORMANCE INDICATORS

REVENUE  
(₹ crore)



EBITDA  
(₹ crore)



Profit After Tax  
(₹ crore)





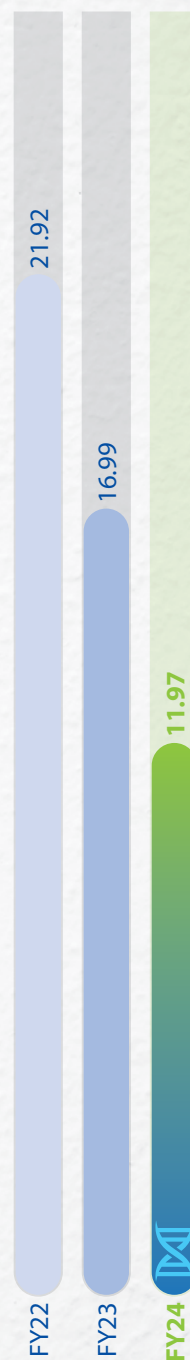
### EBITDA Margin (%)



### Networth (₹ crore)



### Earnings per share (₹)



\*including other income



## OUR UNIQUE EDGE

At Suven Pharma, our business operates under a unique model. It is characterised by distinctive features tailored to yield superior outcomes.

### We are a pure-play CDMO enterprise

Suven Pharma is a CDMO-focused enterprise. The Company's expertise resides in Custom Synthesis, Process R&D, Scale-Up, and Contract Manufacturing of intermediates, APIs, and formulations. The Company has the relevant hardware (infrastructure) and software (expertise) to support its customers for a single project and/or partner with them across the innovation journey and beyond.

### We have a huge and growing repository of chemistry skills

Suven Pharma specialises in cyanation and heterocyclic chemistry, such as pyrimidines, quinolones, thiazoles, and imidazoles. It has demonstrated proficiency in Carbohydrate and Chiral chemistry, covering tetrahydrofurans, amino acids, and sulfoxides. Over the years, the Company has built a substantial skill repository in complex chemistries and challenging reactions.





### We have worked with large players

Suven Pharma has been working with top 10 of the 15 innovator companies in the World and serve 30+ customers over last 5 years. This bandwidth enriches its experience basket to match diverse expectations and exceed the client's expectations.

### We have worked in different spaces

Suven Pharma's edge is niche chemistry. Rather than restricting the use of this competency only to the pharmaceutical sector, it has expanded its horizon to undertaking projects in developing intermediates for fine chemicals, which have multiple applications. This has only enhanced its opportunity landscape.

### We have delivered diverse projects on time

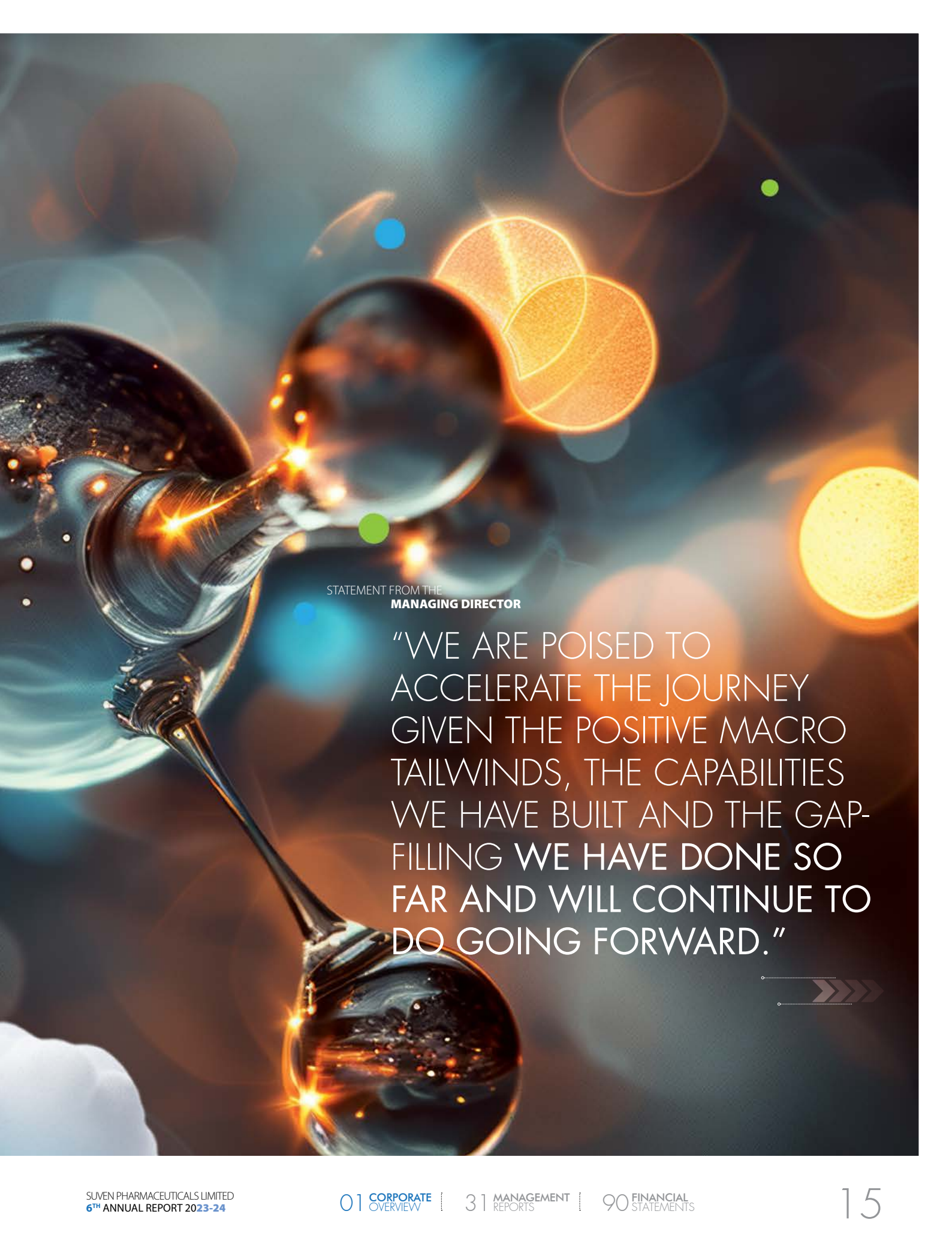
Suven Pharma has delivered more than 900 CDMO projects with an on-time delivery track record. This commitment has enabled it to surge into a global leading CDMO player. Its unflinching passion and disciplined determination to deliver sets it apart as an outlier in the integrated CDMO landscape.











STATEMENT FROM THE  
**MANAGING DIRECTOR**

“WE ARE POISED TO ACCELERATE THE JOURNEY GIVEN THE POSITIVE MACRO TAILWINDS, THE CAPABILITIES WE HAVE BUILT AND THE GAP-FILLING WE HAVE DONE SO FAR AND WILL CONTINUE TO DO GOING FORWARD.”





**DR V. PRASADA RAJU**  
MANAGING DIRECTOR

DEAR  
**SHAREHOLDERS,**

I am honoured to join Suven Pharmaceuticals Ltd. as the Managing Director in September 2023. It is a privilege to lead this esteemed organisation at a pivotal time in its exciting journey.

Suven Pharma's pursuit of growth has always been driven by a strategic focus on differentiation as well as relentless execution to deliver at scale and with quality. I am happy to state that we have made considerable progress in this journey.

**Performance in FY24**

FY'24 was a perfect storm with a global slowdown, Agro-Chemical destocking, COVID base effect and commodity pricing. Notwithstanding these challenges, we have made considerable progress in drawing the roadmap for Suven Pharma's sustained growth over the foreseeable future.

Having undertaken a thread bare analysis of the business, we have assessed the strengths and gaps in the business model, which have formed the basis for the strategic roadmap we have laid out for Suven. We have moved aggressively to leverage the strengths and fill the gaps to uplift the Company into a new growth orbit.

In our **Pharma CDMO segment**, we engaged in extensive customer interactions on a steadfast basis across multiple forums to strengthen the relationship and elevate us to the strategic partner of choice for customers. Our customer engagement drive has resulted in a significant increase in RFQs. The conversion has more than doubled compared to the previous years.



We now have 13 intermediates and seven molecules in Phase III compared to 6 intermediates and two molecules at the end of FY23. Our proactive engagement with our key customers is a testament to our customer-centric approach, which we believe will lead to significant growth from existing and new relationships.

On **Specialty Chemicals CDMO**, we have recrafted our specialty chemical service line as a new strategic business unit with a much higher focus in-line with our customer expectations and business needs. We have started investing in people who are domain experts, including operating partners, moving towards dedicated facilities and initiatives to drive continuous improvements, including automation and EHS best practices.

We utilised the softness in the specialty chemical space to remodel our business operations to be ready with the relevant services basket. This aligns well with an expected trend reversal in the sectoral growth trends from the second quarter of FY'25.

We swiftly tightened costs as revenues softened, which was an organisation-wide effort. We received 30+ implementable cost-saving ideas from our shopfloor team that should help optimise expenses. We aggressively optimised factory upkeep expenses. Our initial efforts have delivered satisfying results. We will continue ideating new ways to streamline operations to maximise business returns.

On the **infrastructure front**, I am glad to inform you that we completed an FDA audit, other regulatory agency audits, and multiple customer audits at our Pashamylaram facility. We also inaugurated our state-of-the-art R&D facility spanning 25,000+ sq. ft. in Genome Valley in the presence of Senior Executives from a leading global pharmaceutical company. The new block in Suryapet is undergoing validations and is on track for commissioning.

Our commitment to sustainability is deeply rooted in our core values. I am pleased to mention that our Pashamylaram Unit 3 site was awarded the EHS Excellence Award by the CII, which serves as a testament to our dedication to maintaining high standards in environmental health and safety practices. We were also honoured with the coveted International Safety Award from the British Safety Council for the Pashamylaram facility.

We have a positive outlook for FY25 and mid-term to long-term growth. We derive confidence from the favourable industry environment lifted by the increase in the clinical pipeline and China Plus One dynamics. This is evidenced by the uptick in RFQs and inquiries for laterals and commercial products from existing and new customer relationships.

CONTINUED ON THE NEXT PAGE





STATEMENT FROM THE **MANAGING DIRECTOR**

Our strategic intent on lateral wins and commercial molecules under patents is not just a plan but a reality. This shift in focus is already translating into more inquiries, indicating a more robust and healthier pipeline.

We are confident that this strategic intent will make us more relevant and closer to our partners, and business initiatives will enable us to offer our expanded services, leveraging our proven delivery capabilities. The increased inquiries for commercial molecules under patent further reinforce our positive outlook and potential for accelerated future growth.

We are poised to accelerate the journey given the positive macro tailwinds, the capabilities we have built and the gap-filling we have done so far and will continue to do going forward.

Our merger with **Cohance Lifesciences** will further accelerate our growth momentum.

The ADC platform continues to grow significantly due to its commercial products, therapy expansion, and market registrations. Moreover, several other new products continue to be in the developmental phase with innovative customers. Cohance is expanding its R&D pipeline of new designer payloads and adjacent payloads, which are at an advanced stage of development and will organically enable the expansion of payload market coverage.

On the non-ADC CDMO, one product is progressing well in Phase 3.

In the API plus business, the down cycle seems to be behind us. Cohance expects it to return to healthy growth rates through market and customer expansion, supported by new product introductions. Ending March of 2024, 5 new product validations have been completed by Cohance.

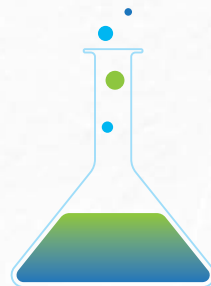
While this year has been muted, given the macro headwinds, we continue to be excited about growing the combined platform with our CDMO focus. We expect growth in revenue and EBITDA for the full year of '25, with growth accelerating in FY'26. At a combined platform level, we look forward to organically doubling the business over the next five years and adding further growth traction from M&A opportunities over a similar time frame.

We assure all our valued stakeholders that we are fully committed to serving your interests and scaling up business **through progressive growth on all parameters.**

In FY25, we will also invest in fortifying **organisational health**



Key areas	FY25 Goals	Business impact
<b>EHS Management Systems</b>	<ul style="list-style-type: none"> <li>● Improve Ecovadis score</li> <li>● Increase in Safety training &amp; education hours</li> <li>● Culture of reporting near-miss</li> <li>● Zero casualties</li> </ul>	Business Continuity
<b>Quality Management Systems</b>	<ul style="list-style-type: none"> <li>● CAPA Effectiveness improvement</li> <li>● Customer Complaints to be reduced</li> <li>● No Critical observations from any audits</li> </ul>	Business Continuity
<b>Supply Chain Effectiveness</b>	<ul style="list-style-type: none"> <li>● Consolidate all non-PO &amp; contractual spends</li> <li>● Make or Buy decision based on cost and supply chain control</li> <li>● Supplier risk mitigation</li> </ul>	Minimise China Dependence EBITDA Margin Protection
<b>Business Intelligence and Analytics</b>	Pro-actively conversations with customer on new opportunities	Build lateral pipeline and improve RFQ win-rate
<b>Process Engineering / MSAT</b>	<ul style="list-style-type: none"> <li>● Smooth assimilation of tech packs</li> <li>● Work with manufacturing team and R&amp;D to reduce the costs for all the key products</li> </ul>	Minimise risks during tech-transfers
<b>Talent on-boarding</b>	<ul style="list-style-type: none"> <li>● Provide support in making hires productive as early as possible</li> <li>● Close out all the key positions and strengthen the team</li> </ul>	Gaps in mid management level removed







## MERGER OF COHANCE LIFESCIENCES

The merger with **Cohance Lifesciences** is a strategic decision expected to widen the opportunities for both entities in the years ahead. The complementing synergies will enable both Suven and Cohance to grow as individual entities as well as a unit.

Suven Pharma has received approval from both NSE and BSE for the merger. The Company is presently waiting for approval from SEBI. Post that, the Company will approach NCLT. After that, the NCLT will call the shareholders to vote. The expected timeline for the completion of the merger process is 12-15 months (from 29th February 2024).



### What is Cohance Lifesciences?

Cohance Lifesciences, one of India's leading and diversified CDMO and merchant API platforms, reported financials in FY23 with revenues exceeding ₹1,330 crore and an EBITDA of approximately ₹420 crore. Serving pharmaceutical and specialty chemical customers worldwide, Cohance is distinguished by its

well-invested assets and complex chemistry capabilities. This includes camptothecin derivatives and acetylene compounds. The Company's foundation is built on deep chemistry expertise, encompassing ADCs and HPAPI, with a steadfast commitment to safety, quality, and compliance.



## Cohance: Advancing ADC Platform

### Partnering with Large Innovators

Cohance Lifesciences has successfully secured partnerships with two large innovator pharmaceutical customers for its proprietary ADC payload platform. This achievement underscores the platform's robust capabilities and growing industry recognition.

### First company to develop Synthetic Route for Production

Cohance is the first company in the world to develop a synthetic route for large-scale production of its proprietary ADC payload platform. The Company has leveraged this technology to synthesise payloads for ADCs.

### Progress in ADC Pipeline

The Company's ADC pipeline is progressing well, with two commercial products continuing to show strong growth driven by therapy expansion and new market registrations. Additionally, 1 product has advanced to early Phase III, reflecting their commitment to advancing innovative therapies.

### Ongoing Clinical Development Programs

Cohance is actively engaged in several clinical developmental programs on the Company's existing platform for innovative pharma clients. These new products are in various developmental

phases. Moreover, they are organically developing a new ADC platform, with a few products currently under validation on this new platform.

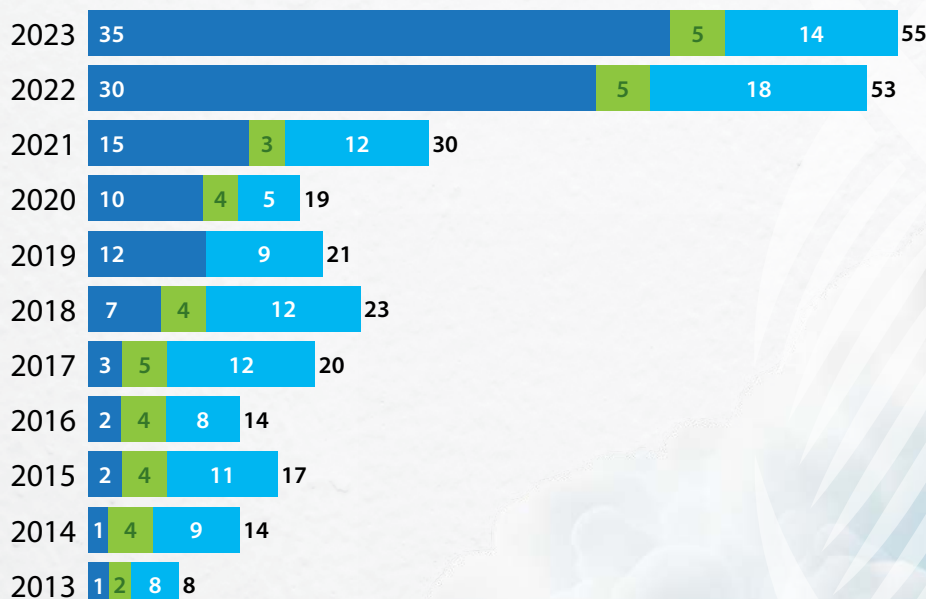
### Successful Audit

In a significant quality milestone, the Company's ADC warhead site located at Nacharam has successfully cleared an audit by the European Directorate for the Quality of Medicines (EDQM) with no major or critical observations.

## Growing numbers of ADC candidates entering clinical trials

ADC Entering CTs in each year\*

■ Asia | ■ EU | ■ US



\* Source: Industry / Market data



## What is API ++

API++ refers to Cohance's merchant API and pellet business, focusing on low to mid-volume APIs with low competitive intensity. By leveraging backward integration, Cohance has built a deep cost position, allowing it to maintain a competitive edge.

The Company ranks among the top three players in global market share across most top molecules, demonstrating its leadership in the industry. With complex chemistry capabilities, including expertise in handling multi-step processes

for Onco APIs and other complex compounds, Cohance continues to excel in delivering high-quality and innovative solutions.

## The API++ uptick

The downcycle in API++ is now behind Cohance, positioning the Company to return to double-digit growth. Several key factors are expected to accelerate base growth and drive sustained progress.

### Unique Portfolio Driving Sustained Growth

Cohance's business model focuses on small to mid-volume APIs, targeting product segments with less concentration risk and limited pricing pressure. This strategic focus allows the Company to maintain stability and avoid the significant price fluctuations often seen in larger volume segments.

### Expanding Market Share

Cohance is focused on expanding its market share by leveraging its competitive cost position and the strength of its backward integrated operations. This enables it to offer competitive pricing while maintaining healthy margins. This will help them maintain their position amongst the Top 3 players for most top molecules.

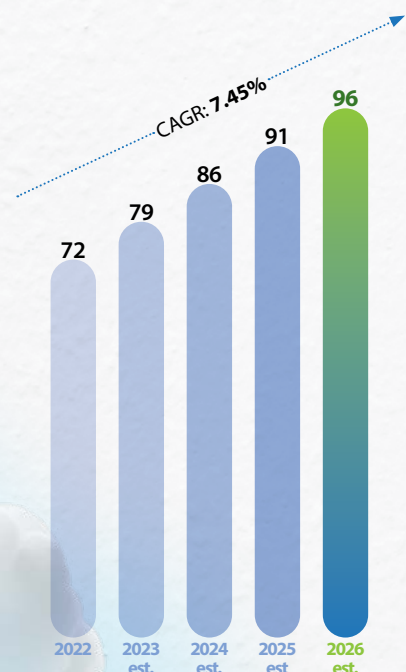
### Higher Product Validation and Strong Business Development

Over the next 18-24 months, Cohance anticipates higher product validation supported by dedicated business development efforts. With the downcycle behind it and a clear strategy for growth, Cohance is well-positioned to achieve double-digit growth and reinforce its leadership in the API++ segment.

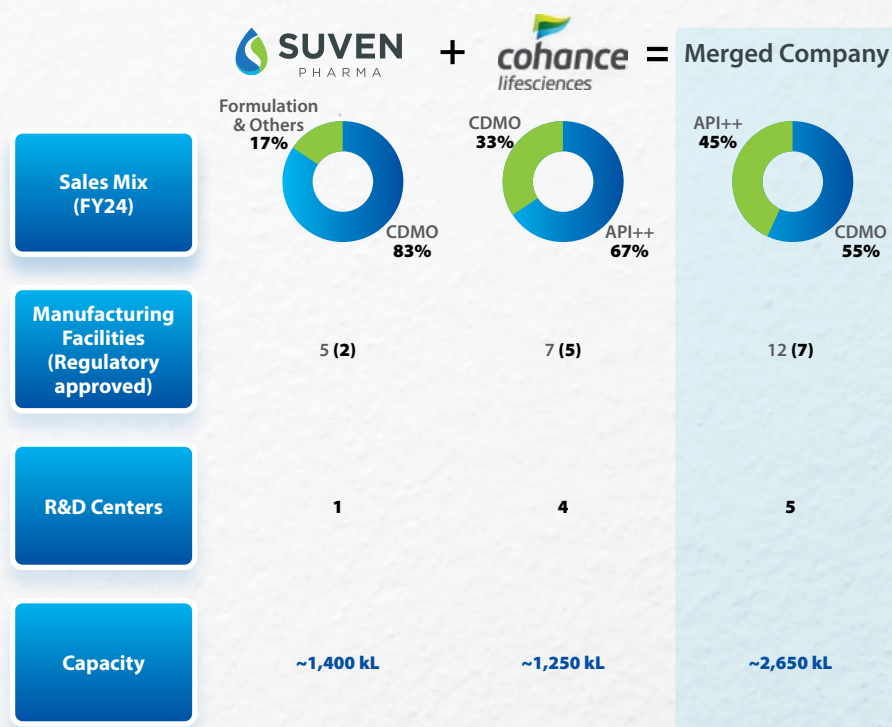
## \$86+ Bn Total Addressable Market

Sustained growth

Merchant API market revenues\*, USD



## Combined Business Mix in FY24: Suven + Cohance (Merged Entity)



## BOARD OF DIRECTORS



**MR ANNASWAMY VAIDHEESH**  
EXECUTIVE CHAIRPERSON

BOARD PARTICIPATION		
COMMITTEE	CHAIRPERSON	MEMBER
Stakeholders' Relationship Committee	-	✓
Corporate Social Responsibility Committee	✓	-
Risk Management Committee	✓	-

Mr Annaswamy Vaidheesh is the Executive Chairperson of the Company, effective 29th September 2023. As Executive Chairperson, he oversees the Company's overall business operations.

Mr Vaidheesh is a successful senior business leader from the most admired Fortune 100 companies with over 35 years of diverse experience in the healthcare and FMCG Industry, including Johnson and Johnson, Pfizer, and GSK. He has proven expertise in general management with a strong background in market creation and leadership development.

Further, he has rich experience in building strong leadership for brands/franchises across varied categories (healthcare and FMCG) and in multi-grid and multi-cultural locations in the Asia-Pacific region. Prior to his current roles, Mr Vaidheesh has amassed a wealth of experience in the industry.

He held significant positions, including the President of OPPI (Organisation of Pharmaceutical Producers of India) and Chairman of various committees and councils of Industry bodies in India and the region. He was recognised by various prestigious organisations like the Economic Times for his leadership capabilities. Additionally, he has served as an operating partner with Advent International.



**DR V. PRASADA RAJU**  
MANAGING DIRECTOR

BOARD PARTICIPATION		
COMMITTEE	CHAIRPERSON	MEMBER
Stakeholders' Relationship Committee	-	✓
Risk Management Committee	-	✓

Dr V. Prasada Raju is the Company's Managing Director, appointed on 29th September 2023. Dr Prasada Raju is also CEO and MD of Cohance Lifesciences Ltd.

Dr Prasada Raju served as an Executive Director at Granules India Ltd., where he played a key role in driving growth strategy, managing the product portfolio, overseeing scientific and regulatory affairs, handling intellectual property matters, and leading new business initiatives.

Moreover, he was instrumental in establishing R&D and Greenfield projects within the Company. As part of his responsibilities, he served on the Boards of Granules Omnichem Pvt Ltd (Vizag, India), Granules Pharmaceuticals Inc. (DC, USA), and US Pharma Ltd (FL, USA). Dr Prasada Raju's impressive academic background includes a PhD in chemistry, a PG Diploma in patent law, and specialised training in material sciences at IIT, Chicago, USA.

He is also an alumnus of the Senior Management Program at IIMC (Indian Institute of Management). With over 30 years of techno-commercial experience in the pharmaceutical industry, spanning various aspects of the value chain, he has held leadership roles at Granules India Limited and Dr Reddy's Laboratories.

During his tenure at Dr Reddy's, from 1994 to 2012, he provided technical, strategic, and operational leadership in uniquely challenging positions within the pharma sector. Overall, Dr V. Prasada Raju's extensive experience and expertise make him a highly respected and accomplished figure in the pharmaceutical industry, where he continues to make significant contributions in his current roles.





**MR PANKAJ PATWARI**  
NON-EXECUTIVE DIRECTOR

**BOARD PARTICIPATION**

COMMITTEE	CHAIRPERSON	MEMBER
Audit Committee	-	✓
Nomination and Remuneration Committee	-	✓

Mr Pankaj Patwari is a Non-Executive Director of the Company, with effect from 29th September 2023. He is a Chartered Accountant by training and holds an MBA from the Indian Institute of Management (Lucknow).

As Managing Director- of Advent India PE Advisors Private Limited, he has managed Advent's investments in Manjushree Technopack Limited and Bharat Serums and Vaccines Limited (BSV). He has also been a Director at Manjushree Technopack Limited and Gokaldas Intimatewear Private Limited.

Having worked with Bain Capital before Advent for six years, Pankaj worked on several pharmaceutical and industrial transactions. Before his stint at Bain, Pankaj spent four years with McKinsey & Co., focusing primarily on financial services.



**MR K G ANANTHAKRISHNAN**  
INDEPENDENT DIRECTOR

**BOARD PARTICIPATION**

COMMITTEE	CHAIRPERSON	MEMBER
Audit Committee	-	✓
Nomination and Remuneration Committee	-	✓
Stakeholders' Relationship Committee	✓	-
Corporate Social Responsibility Committee	-	✓

Mr K G Ananthakrishnan is an Independent Director of the Company with effect from 29th September 2023. Throughout his illustrious career, Mr Ananthakrishnan has held influential positions, including Director General of the Organisation of Pharmaceutical Producers of India (OPPI) and Co-Chair of the Pharma Committee at the Confederation of Indian Industry (CII), where he played a pivotal role in shaping vital policy initiatives.

Educationally, Mr Ananthakrishnan holds a Master's in Marketing Management from Jamnalal Bajaj Institute of Management Studies, Mumbai, and a Bachelor's in Science from Osmania University, Hyderabad. To further enhance his knowledge and skills, he has completed Executive Development Programs at the Wharton Business School, USA, and the Finance for Non-Finance Program at INSEAD, France.

With over 40 years of progressive leadership experience in the pharmaceutical market, Mr Ananthakrishnan's career began in 1976 with Novartis India Limited. He then held key positions at Pharmacia India, Pfizer India Ltd., and Fulford (India) Ltd. Notably, during his tenure as Vice President and Managing Director of the South Asia Region at MSD, he successfully transformed the Company into a rapid-growth pharmaceutical powerhouse.



## BOARD OF DIRECTORS [CONTINUED]



**MS MATANGI GOWRISHANKAR**  
INDEPENDENT DIRECTOR

### BOARD PARTICIPATION

COMMITTEE	CHAIRPERSON	MEMBER
Nomination and Remuneration Committee	✓	-
Corporate Social Responsibility Committee	-	✓

Ms Matangi Gowrishankar is an Independent Director of the Company with effect from 29th September 2023. She is a distinguished expert, serving as a Strategic Advisor, Certified Coach, and Catalyst for change.

Prior to her current role, Ms Gowrishankar held the esteemed position of BP's Global Head of Capability Development, where she played a crucial role in enhancing the organisation's talent capabilities and driving leadership excellence. With over 40 years of experience working with senior leadership teams, Ms Matangi Gowrishankar brings knowledge and insights to support organisations' growth and transformation endeavours.

Her extensive professional background in business and human resources has provided her invaluable global exposure and a deep understanding of various leadership aspects. Having closely collaborated with Senior Leadership teams, Ms Gowrishankar possesses valuable expertise in emerging skills such as contemporary leadership, leading in a digitally enabled world, and leadership transformation.

She collaborates closely with organisations to develop leadership capabilities that align with the demands of a rapidly evolving business landscape, ensuring sustainable success and growth. As an Independent Director, she contributes her wealth of experience and strategic guidance to the Company, playing a significant role in its development and progress.



**MR VINOD RAO**  
INDEPENDENT DIRECTOR

### BOARD PARTICIPATION

COMMITTEE	CHAIRPERSON	MEMBER
Audit Committee	✓	-
Risk Management Committee	-	✓

Mr Vinod Rao is an Independent Director of the Company with effect from 29th September 2023. Currently, he is also a Director at Eureka Forbes. Mr Rao has held senior roles at renowned organisations such as Diageo (FTSE 10), PepsiCo (S&P 100), and ICI (formerly FTSE 100). He has over 35 years of expertise spanning various industries, including FMCG, consumer durables, and industrial products.

Throughout his career, Mr Rao has developed a deep understanding of developing and developed markets, including India, China, Southeast Asia, the UK, and Europe. This global exposure has enabled him to navigate diverse business environments and contribute valuable insights to organisations operating in different regions.



**MS SHWETA JALAN**  
NON-EXECUTIVE DIRECTOR

**BOARD PARTICIPATION**

COMMITTEE	CHAIRPERSON	MEMBER
-	-	-
-	-	-
-	-	-

Ms Shweta Jalan is a Non-Executive Director of the Company, with effect from 9th November 2023. She is an MBA in Finance and Marketing from the National Institute of Management, Calcutta (NIMC) and a B.Sc. in Economics from St Xavier's College, Calcutta.

Ms. Shweta Jalan is the Managing Partner and India Head for Advent International. She has over 23 years of experience in Private Equity. She joined Advent in 2009 and has built the Advent India business, leading and managing investments of over US\$ 4 billion across various sectors. Prior to that, she worked for nine years at ICICI Venture, which at the time was the largest private equity firm in India.

She has invested in companies across a wide range of sectors, including consumer, healthcare, financial and IT services. Before joining ICICI Venture, she worked at Ernst & Young in their corporate finance division for a year. Ms. Shweta Jalan has expertise in the financial services sector, and under her leadership, Advent International has invested in ASK Investment Managers Limited (ASKIM) (India's largest portfolio management services company), Aditya Birla Capital Limited (a diversified asset management and lending company) and Kreditbee (A digital lending platform).

Ms. Shweta Jalan is also a Director on the Board of various companies, some of them being Advent India PE Advisors Private Limited, Bharat Serums and Vaccines Limited, Modenik Lifestyle Private Limited (formerly known as Dixcy Textiles Private Limited), Manjushree Technopack Limited, ZCL Chemicals Limited, Cohance Life Sciences Limited, Yes Bank Limited and Quest Global Services Pte. Ltd.



**MR PRAVIN RAO UDHAVARA BHADYA**  
INDEPENDENT DIRECTOR

**BOARD PARTICIPATION**

COMMITTEE	CHAIRPERSON	MEMBER
Stakeholders' Relationship Committee	-	✓
Risk Management Committee	-	✓

Mr Pravin Rao Udhavara Bhadya is an Independent Director of the Company with effect from 9th November 2023. Educationally, Mr Pravin Rao holds a Bachelor of Electrical Engineering from Bangalore University and a Research Associate from the Indian Institute of Science, Bangalore.

Mr Pravin Rao has over 37 years of experience at Infosys in various positions. Started as Software Engineer Trainee in August 1986 and superannuated as Chief Operating Officer and Member of Board in December 2022 -starting as Software Engineer Trainee, followed by several Delivery Roles: Delivery Head for Europe, Head Solution Consulting, Head of Infrastructure Management Services, Director, Infosys Leadership Institute (ILI), Head of Retail, Consumer Packaged Goods, Logistics and Life Sciences, President, Interim Chief Executive Officer, Chief Operating Officer and Whole-time Director, Infosys Ltd.

Mr Pravin Rao also serves on the Board of Directors of Independent Director, Axis Finance Limited, Independent Director, Indegene Pvt Ltd, Independent Director Zensar Technologies Ltd. Previously, Mr Pravin Rao served as Whole-time director of Infosys Ltd, Chairperson of Infosys BPM Limited, Executive director of Infosys Technologies Australia Pty Ltd., Chairman of NASSCOM, Executive Member of NASSCOM, Member of National Council of Confederation of Indian Industry (CII), and Member of World Business Council for Sustainable Development (WBCSD).



## MANAGEMENT TEAM



**DR SUDHIR KUMAR SINGH**  
CHIEF EXECUTIVE OFFICER

Dr Sudhir Kumar Singh is the Chief Executive Officer of the Company, appointed on 29th September 2023. Dr Singh's academic background includes a PhD in Medicinal Chemistry from one of India's premier research organisations, Central Drug Research Institute. Followed by a post-doctoral fellowship in the USA and a faculty member at Rutgers University, New Jersey, with over three decades of experience in the pharmaceutical and biotech industry. He has served as the Chief Operating Officer at Aragen Life Sciences Ltd. Dr Singh led a team of 2,000 scientists in India's largest Contract Development and Manufacturing Organisation (CDMO). His strategic guidance and exceptional project management have driven the organisation's growth and success. With a strong drug discovery and development background, evidenced by his significant research contributions and patented innovations, Dr Singh has played a crucial role in advancing drug development efforts within the industry.



**MR GAURAV BAHADUR**  
CHIEF HUMAN RESOURCES OFFICER

Mr Gaurav Bahadur is the Chief Human Resources Officer of the Company. He was appointed on 29 September 2023. He is responsible for overseeing and managing various aspects of the human resources function within the Company. Gaurav has held leadership roles in renowned companies such as Vodafone Essar, Yahoo! India, and Philips India. His transformative tenure at Sanofi India, where he spearheaded strategic HR initiatives, showcases his expertise in building performance-driven cultures. Gaurav holds a master's degree in Personnel Management from Symbiosis Institute of Business Management and a bachelor's degree in chemistry from St. Xavier's College, Mumbai.



**MR RAJU KOMARAVOLU**  
CHIEF STRATEGY OFFICER

Mr Raju Komaravolu is the Chief Strategy Officer of the Company. He was appointed on 29th September 2023. He is responsible for the Company's overall Strategic choice-making, Investor Relations, M&A Integration, Strategic Marketing and Transformation agenda. Raju has a B Tech from NIT Warangal and an MBA from IIM Ahmedabad and has worked for ITC Ltd, McKinsey & Co., and Dr Reddy's Labs Ltd. Raju brings over 26 years of multi-industry experience across Strategy, Sales, Marketing, Manufacturing, and Project Management. Raju held several P&L leadership roles during the last five years at Dr Reddy's. His leadership strengths lie in strategy development and strong execution.





**MR BRIAN SHAUGHNESSY**  
CHIEF COMMERCIAL OFFICER

Mr Brian Shaughnessy is the Chief Commercial Officer of the Company. Brian is responsible for leading and managing all aspects of the Company's commercial initiatives and activities, including sales, marketing, and business development functions. Brian has a BS in Chemical Engineering from Villanova University and has 20+ years of experience in the CDMO and life science industries. He has held various positions of increasing responsibility with companies, including Aragen (formerly GVK BIO), Piramal, Dr Reddy's, and Johnson Matthey. Brian is passionate about developing highly motivated teams that focus on cultivating trusted relationships with client partners by providing reliable and value-added solutions.

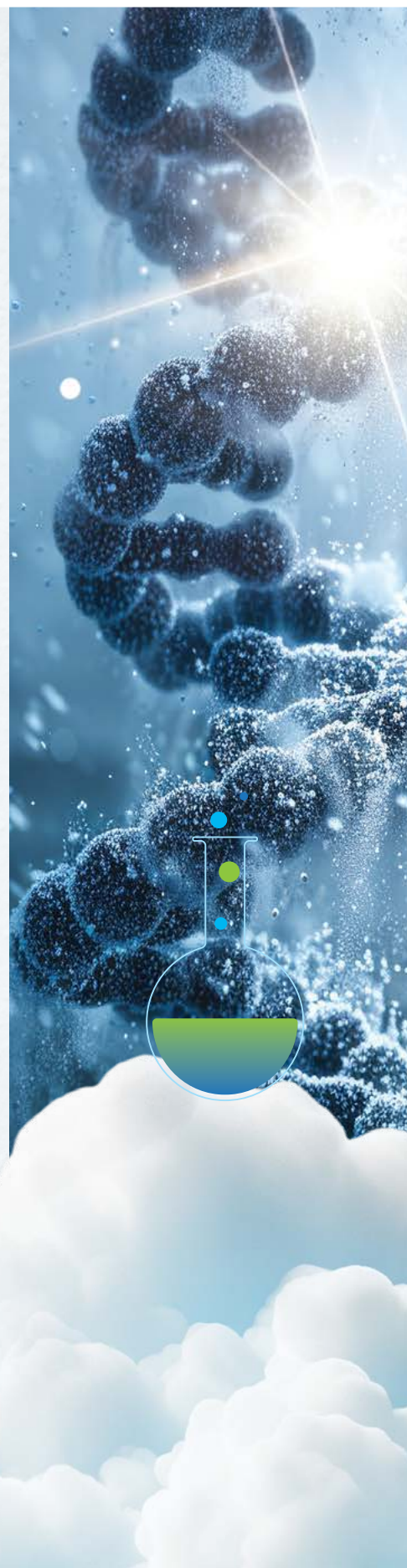


**MR HIMANSHU AGARWAL**  
CHIEF FINANCIAL OFFICER

Himanshu brings with him 29 years of professional experience, and prior to joining Suvem Pharma, he worked for Bennett and Coleman, Huhtamaki Oyj, AkzoNobel, Astra Zeneca Pharma and also held progressively responsible positions at ICI India. Himanshu brings broad global and Indian experience in finance, strategy, operations, and technology enablement in coatings, chemicals, pharma, packaging, and media.

He has successfully led many strategic initiatives, including business-enabled finance transformation, profit turnaround, value chain optimisation and many M&A deals and integrations. He has enabled technology deployment from ERP to BOTs, enabling process transformation and simplification.

Himanshu is a rank holder Chartered Accountant as well as a company secretary and cost and management accountant. He has been awarded Best CFO by the Institute of Chartered Accountants of India.









# MANAGEMENT DISCUSSION & ANALYSIS



## GLOBAL ECONOMY

### The world economy has grown more resilient.

Last year (2023), the global economy demonstrated remarkable resilience, defying expectations in potentially history-making ways. Despite adverse conditions—wars, inflationary pressures, and the most significant interest-rate surge in 40 years—the global economy withstood; it only experienced modest deceleration. This unprecedented plotline suggests that the world economy has grown more resilient, reassuring in these uncertain times.

**Trade:** Global trade experienced negative growth since mid-2022, primarily driven by a substantial decline in goods trade, which continued to contract for most of 2023. In contrast, trade in services has displayed more resilience, and its growth has remained positive throughout the same period.

**Inflation:** A series of compounding issues, such as a sharp rise in energy and food prices, fiscal instability in the wake of the pandemic, and consumer insecurity, have created a new global recession.

**Outlook:** GDP growth will moderate due to tighter financial conditions, weak trade growth and lower business and consumer confidence. Risks to the near-term outlook remain tilted to the downside, including heightened geopolitical tensions and a larger-than-expected impact of tightening monetary policy. On the upside, growth could be more substantial if households spend more of their excess savings accumulated during the pandemic.

- The baseline forecast is for the world economy to continue growing at 3.2% during 2024 and 2025, at the same pace as in 2023. A slight acceleration for advanced economies—where growth is expected to rise from 1.6% in 2023 to 1.7% in 2024 and 1.8% in 2025—will be offset by a modest slowdown in emerging market and developing economies from 4.3% in 2023 to 4.2% in both 2024 and 2025.

<sup>1</sup>Source: www.imf.org

## INDIAN ECONOMY

### The Indian economy continued its ascent.

The Indian economy has continued its upward trajectory, reporting GDP growth closer to 8% in FY24—the highest growth by the domestic economy in the post-COVID era. This stellar performance positions India as the fastest-growing economy among the world's major economies, instilling optimism about its growth potential.

<sup>1</sup>The Index of Industrial Production (IIP), which measures industrial activity, grew by 5.8% between April 2023 and February 2024. Analysts

expect the IIP to grow by about 5% in March 2024.

<sup>2</sup>India's tax collection in 2023 exceeded expectations. Gross direct tax collections for FY 2023-24 also experienced a notable increase of 18.48% to Rs 23.37 lakh crore. This reflects the economy's buoyancy and the rising income levels of individuals and corporates.

The economic growth outlook for FY25 looks positive despite several

headwinds, such as hardening crude oil prices, the global supply chain bottleneck, and potential geopolitical tensions. According to the April 2024 estimates of the Reserve Bank of India, the GDP for FY25 is set to grow at 7%.

Headline inflation will likely remain within RBI's target limit despite high food prices. Government capex and strong domestic consumption will underpin India's economic growth.

<sup>1</sup>Source: <https://pib.gov.in>

<sup>2</sup>Source: [www.indiatoday.in](http://www.indiatoday.in)

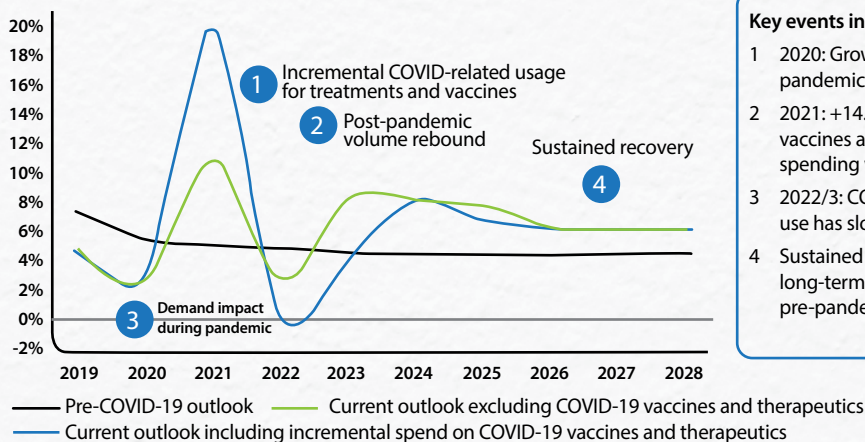
# GLOBAL PHARMA SECTOR

## A market constantly on the up

The last two years saw an influx in the pharmaceutical sector due to the pandemic. This has ebbed in 2023

as the world came to terms with this health tragedy. It led to a shift in the pharma market from COVID-related

medication to other communicable and non-communicable diseases.



**Key events in the outlook**

- 2020: Growth -3.0% slower than pre-pandemic projection (~\$39Bn)
- 2021: +14.2% higher growth including vaccines and therapeutics compared to spending without them
- 2022/3: COVID vaccine and therapeutic use has slowed, resulting in lower growth
- Sustained recovery of market will drive long-term growth 1-2% higher than the pre-pandemic outlook

Source: www.iqvia.com

<sup>1</sup>The pharmaceutical sector is currently worth US\$1.3 trillion. In 2024, the global pharmaceuticals market is expected to continue its growth trajectory, albeit slower than previous years. The global use of medicines increased by 14% over the past five years and is expected to increase by 12% through 2028, taking the annual use of medicine to 3.8 trillion defined daily doses.

<sup>2</sup>The global pharmaceutical market is expected to continue growing at a CAGR of 5.9% from 2024 to 2031. The increasing need for better healthcare, a significant increase in the ageing population, and the development of new products and technologies will drive the growth.

2023 saw the launches of 91 New Active Substances across 90 products. This is the second-best year after 2021. The overall size of the clinical pipeline has grown to 22,825 projects. By far,

the largest chunk of drugs are in the oncology bucket. Overall, Oncology is roughly 40% of the pipeline. There is also a big focus on rare diseases.

The United States and Europe account for the largest market share in the pharmaceutical sector. In 2023, the United States generated more than US\$670 billion in revenue. The Asia Pacific region is the second largest, accounting for more than 26% of the global pharmaceuticals market.

Inflationary conditions in Europe are projected to change this dynamic. Energy price shocks, global supply bottlenecks, and domestic supply shocks have driven inflationary pressure on Europe. It has increased the cost of production significantly. This creates a unique opportunity for India. Companies are looking to manufacture in other countries, and India is a big contender.

The cost of medical care worldwide hit a historic high in 2023, with the trend increasing to double digits for the first time. <sup>3</sup>After rising from 7.4% in 2022 to a peak of 10.7% in 2023, the trend is expected to decrease to a global average of 9.9% in 2024.

Several factors are contributing to this decline. The surge in elective procedures, consultations, and other medical care due to delayed or postponed care during the pandemic is starting to ease. Additionally, global inflation, which significantly drove up healthcare costs, is projected to continue falling in 2024.

Over the long term, though, the cost of medical care will continue its ascent. The high cost of new medical technologies is a key reason for this persistently high trend.

<sup>1</sup>Source: www.iqvia.com  
<sup>2</sup>Source: www.evaluate.com  
<sup>3</sup>Source: www.wtco.com



# INDIAN PHARMA SECTOR

## The 'Pharmacy of the World' is aiming big.

The Indian pharmaceutical industry has not only garnered global acclaim but also made a significant impact on the world stage. It leads the way in the generic drugs sector, commanding over 20% of the global generics supply by volume and addressing approximately 60% of the worldwide vaccine demand. Beyond its global impact in improving health outcomes, the Indian pharmaceutical industry is pivotal in propelling the country's economic growth and generating employment.

Often hailed as the 'pharmacy of the world,' as per Indian Pharma Alliance's Vision 2030, from a base of US\$40 Bn in 2021, India aspires to reach a market size of US\$130 Bn by 2030 and become the world's largest and most reliable drug supplier.

### What will drive India towards its ambitious milestone?

#### 1) Unleash pharma's value-driven research and innovation potential

Leaders in global pharmaceutical companies agree that India's next frontier is to focus on disruptive innovation. In September 2023, the

government launched the National Policy on Research and Development and Innovation in the Pharma-MedTech Sector in India and the Scheme for Promotion of Research and Innovation in the Pharma-MedTech Sector (PRIP). The policy will help strengthen the ecosystem of skills and capacities, including the academia and the private sectors, and give impetus to new talent among the youth through start-ups. It will also build synergies between various government institutions and agencies.

#### 2) Become an integral part of the futuristic global pharma supply chain

Over the past few years, several emerging trends, such as pricing and inflation, technology implementation, focus on sustainability practices, the transition toward personalised and next-generation therapeutics, and innovative healthcare delivery models, have compounded the complexities within manufacturing and supply chain operations. These trends serve as crucial catalysts, necessitating a shift in priorities and a much-needed transformation of the manufacturing

sector. These evolving industry trends, macroeconomic variables, and geopolitical changes position India at the forefront of the "China+1" opportunity.

#### 3) Achieve sustainable and equitable healthcare access for all

Achieving equitable and sustainable healthcare access is necessary for a country to achieve economic growth. The Government has launched several initiatives to provide healthcare access to the population. Launched in 2018, the Ayushman Bharat scheme is a significant step toward achieving universal healthcare coverage in the country. The Ayushman Bharat Digital Mission (ABDM), launched in 2021, aims to lay the essential groundwork for a seamless, integrated digital healthcare infrastructure in India. These initiatives are expected to improve access and reduce cost, enabling coverage of a large part of the underserved population and revolutionising access and healthcare delivery.

<sup>1</sup>Source: [www.maersk.com](http://www.maersk.com)



# GLOBAL CDMO SPACE

## Poised for exponential growth

<sup>1</sup>As flexible third-party service providers, CDMOs support pharmaceutical companies at all stages of the medicine-making process by providing research and development services, manufacturing support, and formulating and finishing processes. CDMOs have risen in the last decade, with an increasingly dynamic mergers and acquisition (M&A) landscape driven by consolidation.

CDMOs are shifting their business model in response to a changing environment. Earlier, they were predominantly focused on serving as external service providers for manufacturing mature pharmaceuticals. However, they have increasingly become innovation leaders and are covering more areas

of the pharmaceutical business, not only in manufacturing but also adding additional revenue streams. Through M&A strategies, CDMOs have rapidly expanded their capabilities and can deliver technically advanced services at scale.

Companies that operate in both CDMO and API sectors enjoy significant advantages. They have the ability to offer end-to-end solutions that streamline their clients' development and manufacturing processes. This integration leads to cost efficiencies, superior quality control, and stronger customer relationships. Their combined expertise fosters innovation and market agility, allowing them to quickly adapt to changes and meet demand surges.

The CDMO value chain is moving toward a "one-stop-shop" service portfolio—beyond the entire manufacturing process to include commercial launch. This trend is gaining steam owing to a shift in CDMOs' customer base from primarily big pharmaceutical companies to smaller biotech companies.

CDMOs are further expanding their coverage of the drug development value chain. They are becoming active in clinical trial services and increasing their focus on the preclinical research stage, which positions them as invaluable partners to global innovators.

<sup>1</sup>Source: [www.ey.com](http://www.ey.com)

### Poised for exponential growth

The global pharmaceutical CDMO market size was accounted for US\$ 146.29 billion in 2023 and it is increasing around USD 295.95 billion by 2033 with a CAGR of 7.3% from 2024 to 2033. according to a new report by Nova One Advisor.

Pharmaceutical CDMO Market Size 2023 to 2033 (USD Billion)





# INDIAN CDMO SPACE

## Making a strong impact

Indian CDMOs have established themselves in the global pharmaceutical sector by offering various services, from discovering new drugs to completing dosage form manufacture. India has emerged as a leading outsourcing destination with its robust pharmaceutical infrastructure and established drug development and manufacturing environment.

### Why is India gaining ground in the global innovation village?

Multinational pharmaceutical companies are turning to CDMOs to gain a competitive advantage.

- 1) Indian CDMOs are beacons of innovation and development. These organisations prioritise research and development, specialising in finished dosage form manufacturing. They are adept at handling complex chemistry, tackling complex formulations and providing novel solutions. This approach aligns seamlessly with the global pharma industry's imperative for continuous innovation to maintain a competitive edge.
- 2) Indian CDMO players are noted for consistently maintaining high-quality standards. With many US FDA-approved pharma companies, Indian products claim to fulfil international regulatory standards.

The commitment to quality instils trust and confidence in global pharmaceutical firms.

- 3) Indian CDMO companies provide higher scalability and flexibility in manufacturing, allowing multinational pharmaceutical corporations to modify production volumes in response to market demand. This facility allows global players to align with the global demand dynamics seamlessly.

### India's Position & Prospects

'Presently, China leads the CDMO and CRO space, with an 8% and 16% market share in these sectors as of calendar year 2022. In comparison, India has a 2.7% and 1.6% market share in the CRO and CDMO space, respectively.

Goldman Sachs, a leading global investment banking firm, has expressed optimism for India's CDMO and CRO sectors as it sees headwinds easing.

India is a viable low-cost alternative to companies looking to de-risk supply chains away from China. There is growth of tech capabilities and talent in chemistry in the country. There is an increasing focus on robust manufacturing capacity in terms of quality.

However, the investment bank predicts that with some of these headwinds easing, Indian

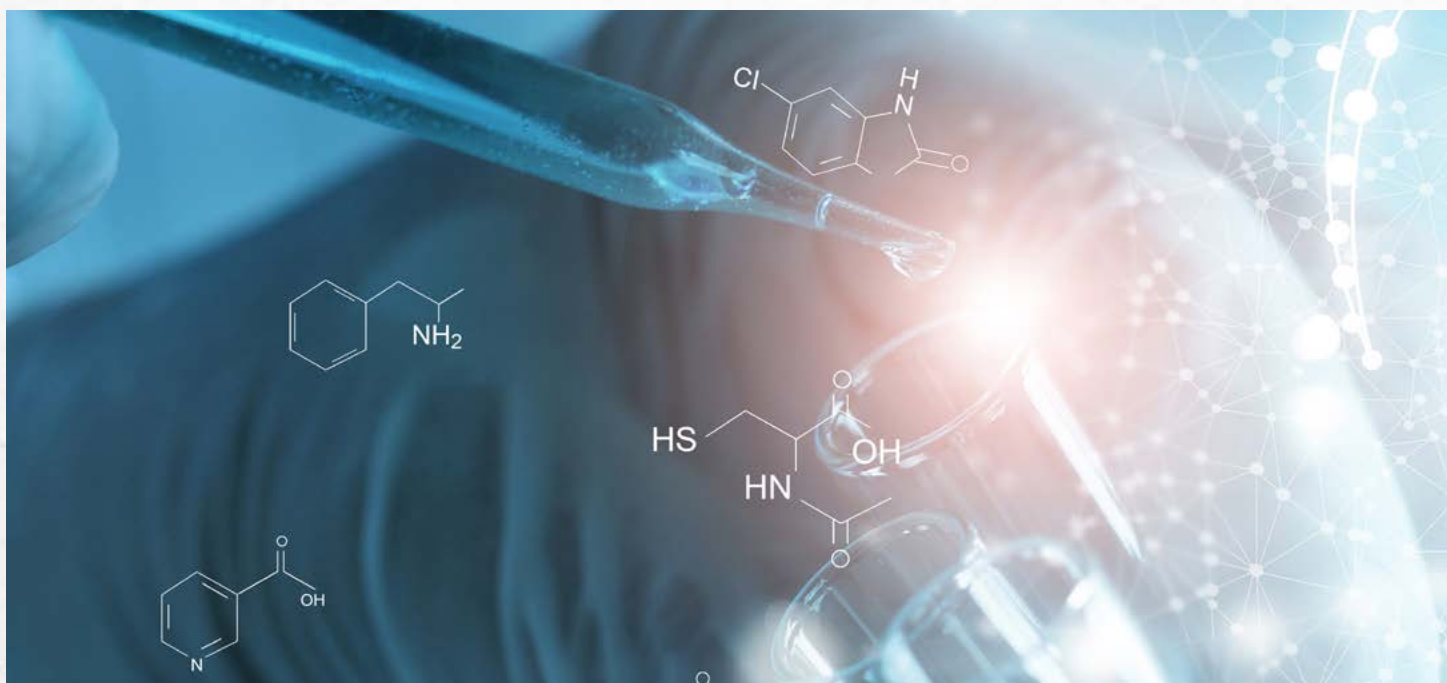
players are focussing on increasing penetration across the global pharmaceutical supply chain starting in 2024 by offering meaningful capacities, improved quality, and optionality to de-risk the supply chain as vertical integration kicks off in FY25, driven by API PLI.

**An interesting opportunity:** Global Innovator companies are increasingly looking to outsource late-stage molecules to India. The key drivers are policy restrictions on outsourcing to China fuelled by geopolitical tensions. Furthermore, environmental, health and safety (EHS) concerns further add to apprehension. Drugmakers are adopting a China +1 strategy to limit their reliance on Chinese contractors who produce drugs in clinical trials and early-stage manufacturing. This move is benefiting India's CDMO sector. Some customers are seeking to add India as a second source for manufacturing. Others seek to leave China and even request to originate supply chains in India.

'Source: www.business-standard.com

### Growth estimates

In its base case, Goldman Sachs forecasts India's global market share to increase by 30 basis points (bps) in small molecule CDMOs and 70 bps in CROs by FY28E. In an optimistic scenario where China+1 trends accelerate faster, the share gains could be threefold, i.e. 120 bps and 200 bps, respectively.



# GLOBAL AGCHEM SECTOR

## Fighting Back

The global agrochemical sector was characterised by a complex landscape in 2023-24. It was marked by both growth and contractions across different segments. Due to the supply chain issues during the pandemic, prices shot up. This has led to an inventory stocking. In 2023, supply stabilised, but companies started heavily destocking due to the fear of commodity price hikes and high interest rates. They want to destock the high-price inventory. This led to 10-12% price decline and 5-7% volume decline. This impacted generics more than innovators.

Apart from destocking, the fall in the selling price of agrochemical products has led to a slowdown in the sector. The resumption of the Chinese supply and stiff competition from generics and demand pressures have led to a fall in prices.

Despite these challenges, there has been no significant structural change. Globally, 2023 saw record demand for biofuels. This was due to record demand for grain, oilseed and meat. The sector is projected to grow at a 2-4% CAGR annually. This is due to the projected rise of 1.7% in food consumption yearly.

The global Agchem sector is seeing a trend of outsourcing in manufacturing. This is due to several reasons:

1. High capital costs can be diverted to core competencies rather than manufacturing
2. Inhouse manufacturing involves high labour and equipment costs
3. Sourcing is flexible when outsourced. Multi-purpose plants adapt better to the changing needs of the market
4. Highly active and complex compounds are needed in low-volume
5. There are matured CSM players in the ecosystem with a reputation for IP protection & other operational capabilities

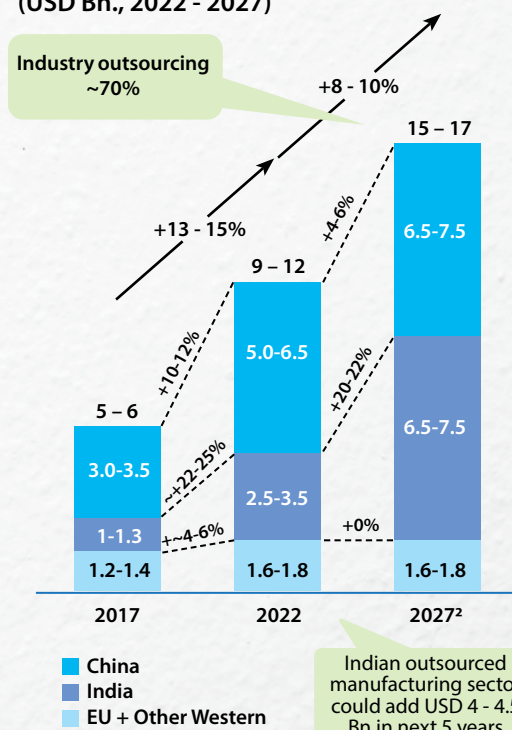
Currently, 55% of AI and intermediate manufacturing is outsourced. The market is estimated to be worth US\$9-12 billion and is likely to grow at 8-10% annually in the next five years.

India is the primary beneficiary of this. Favourable IP protections and regulations, quality and cost-effective production and end-to-end solution providers give India the upper hand. Various Agchem leaders have shown interest in expanding their outsourcing and have eyes on India for it.



North America ranked 2nd in corn production in 2023-24

**Outlook of the Outsourced Market by Geography (USD Bn., 2022 - 2027)**



Source : Expert Calls, Annual Reports, Industry Reports, Kearney



## ABOUT THE COMPANY

Suven Pharma is an integrated Contract Development and Manufacturing Operations (CDMO) company that serves leading global life science and fine chemical majors. The Company's comprehensive services encompass- Custom Synthesis, Process R&D, Scale-Up, and Contract Manufacturing of intermediates, APIs, and formulations.

With extensive infrastructure and capabilities, Suven Pharma possesses the capability and expertise to partner with clients throughout the product life cycle -from route scouting and development to commercial manufacturing.

The Company has established core competencies in cyanation and heterocyclic chemistry, covering pyrimidines, quinolones, thiazoles, and imidazoles. The team's proficiency extends to Carbohydrate and Chiral chemistry, including tetrahydrofurans, amino acids, and sulfoxides, scalable from gram to multi-ton levels.

At Suven, chemistry capabilities are therapy agnostic, supported by proven delivery models that meet stringent timelines. The team is ardently committed to excellence and innovation, ensuring reliable and high-quality solutions for its partners in the pharmaceutical and fine chemical industries.

Suven's dedication to excellence and innovation is reflected in the feedback received from their clients. Their customers frequently commend them for going above and beyond their commitment to serving their needs. This reinforces their ability to deliver reliable, high-quality solutions within stringent timelines. This unwavering commitment makes them trusted and integral collaborators in the pharmaceutical and fine chemical industries. Suven Pharma is recognised for its relentless pursuit of excellence and customer satisfaction.

## SWOT ANALYSIS

### STRENGTHS

1. New management with new strategies to take the business forward
2. Infrastructure compliant with regulations
3. Extensive expertise across various capabilities
4. A substantial workforce of research scientists
5. Strong cost position and strengths of backward integration
6. Strong track record of on-time delivery
7. Long-standing relationships with Big Pharma Customers

### WEAKNESSES

1. Reliance on imports for Key Starting Materials (KSM) and Active Pharmaceutical Ingredients (APIs) potentially affects delivery schedules.
2. A significant portion of our business relies on a select clientele and a limited number of key molecules.

### OPPORTUNITIES

1. A growing pipeline of Novel Drugs with increasingly complex molecules
2. Global sponsors increasingly turn to Asia, especially India, for a cost-effective and secure supply of APIs and Intermediates

### THREATS

1. Intense price competition from generic players vying for the same market segment.
2. Reliance on innovator molecules progressing to subsequent phases of clinical development.

## OPERATIONAL PERFORMANCE

Suven Pharma's operational performance in FY24 has been marked by strategic initiatives that have driven efficiency. Enhanced customer engagement has led to a 25% increase in Request for Quotations and an improved win rate, showcasing Suven's ability to meet client needs effectively.

Encouragingly, discussions with three major innovator companies recently initiated are moving forward in a positive direction. The Company's Pashamylaram facility successfully cleared a USFDA audit with Zero 483 observations, reinforcing its commitment to regulatory excellence.

Cost optimisation has been another focal point, with over 30 implementable cost-saving ideas from the shopfloor team resulting in notable gains. Employee engagement has also improved with initiatives that have kept the workforce motivated and dedicated. These combined efforts reflect Suven Pharma's dedication to maintaining high standards and achieving sustained growth.

# FINANCIAL PERFORMANCE

(based on Consolidated Financial Statements)

The Company's revenue declined by 21.6% for the full year from ₹1,340.33 crore in FY23 to ₹1,051.35 crore in FY24 due to the COVID base and agro chemical destocking cycle. However, adjusting for the COVID base, as well as Agro chemical (speciality Chemical) destocking cycle, the business grew at 16.2% in FY24. Even the pharma segment, adjusting for the COVID base, grew at 9.4%.

Aligned with the drop in revenue, the EBITDA dropped from ₹587.6 crore in FY23 to ₹435 crore in FY24. And the Profit for the Year

slipped from ₹411.29 crore to ₹300.28 crore over the same period.

The Company's reported EBITDA margin for FY'24 stood at 39.4%, reflecting that the investment the Company is making in the business is aimed at steering Suven towards growth. If one adjusts the one-time cost in FY'24 of ₹211 crore, the adjusted EBITDA margins for the full year stand at 41.4% (43.8% in FY23), and the adjusted PAT margins stand at 30.4%.

The Company generated Net Cash Flow from operations of ₹358.48 crore in FY24, which was primarily deployed in investment in Mutual Funds and repaying debt. The Company is confident of reporting stronger growth and improved profitability in the current year.

	2024	2023	% Change	Reason for Change
<b>STABILITY RATIOS</b>				
Debt Equity Ratio	0.02	0.04	(53)%	The variance is on account of decrease in borrowings which comprises of Term loans.
Debt Service Coverage Ratio	8.67	12.05	(28)%	The variance is due to repayment of borrowings and decrease in PAT.
Interest Coverage Ratio	62.61	49.83	26%	The variance in primarily on account of decrease in borrowing costs.
<b>LIQUIDITY RATIOS</b>				
Current Ratio	11.47	6.19	85%	The variance in the current ratio is on account of increase in Investments and there has been a decrease in current liabilities which primarily comprises of Borrowings and Trade payables
Debtor Turnover Ratio (days)	43	30	42%	The variance in primarily on account of decrease in revenue from operations.
Inventory Turnover Ratio (days)	74	86	(14)%	The variance in primarily on account of decrease in revenue from operations.
<b>PROFITABILITY RATIOS</b>				
Operating Profit Margin (%)	35.23%	40.62%	(13)%	The variance in primarily on account of decrease in revenue from operations.
Net Profit Margin (%)	28%	33%	(14)%	The variance in primarily on account of decrease in revenue from operations.





## INTERNAL CONTROL & ITS ADEQUACY

The Company is committed to ensuring an effective internal control system and internal control environment that will help prevent and detect errors, irregularities, and frauds, thus ensuring the security of the Company's assets and efficiency of operations.

The Company has an internal control system and mechanism commensurate with its size, complexity and is aligned with evolving business needs. It has laid down Internal Financial Controls as detailed in the Companies Act, 2013 and has covered significant processes commensurate with the size of the business operations.

Internal controls have been established at the entity and process levels. They are designed to ensure compliance with internal control requirements, regulatory compliance, and appropriate recording and reporting of financial and operational information.

## HUMAN RESOURCE

Suven Pharma recognises its success is based on its team's knowledge, skills, and expertise. Its people initiatives are centred around enhancing their intellectual capital.

The Company encourages its team to regularly participate in workshops and knowledge-sharing forums to stay updated on industry trends. Additionally, it hosts workshops and knowledge-sharing sessions with global

experts, which enables the team to remain up-to-date with emerging global trends, strengthens their capabilities and enhances Suven Pharma's competitive advantage on the global stage. The Company prioritises work place safety and well-being, fostering productivity and team cohesion. As of March 31, 2024, the team comprised 1155 members.



## RISK MANAGEMENT

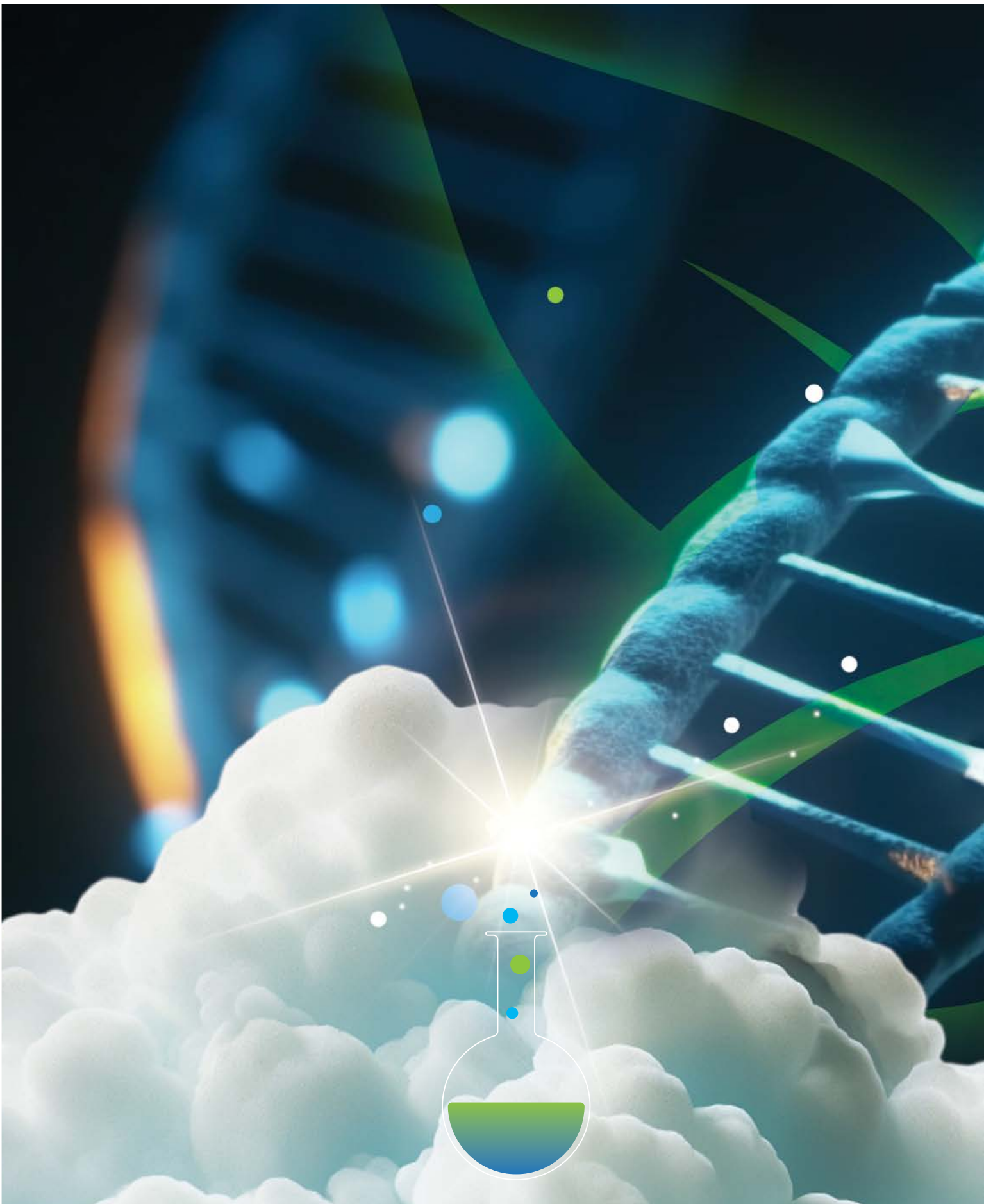
In today's VUCA world, achieving our business goals makes it imperative for the Company to stay focused on managing its key enterprise-wide risks efficiently and effectively. The Company has developed and implemented a robust Enterprise Risk Management (ERM) Framework.

Suven Pharma has adopted a consistent Framework and standard process to ensure

a coordinated and integrated approach to managing Risks & Opportunities across the organisation. This lays the foundation for a risk-free culture with independent, proactive, systematic risk management involving clearly defined roles and responsibilities, principles, standards, methods, tools, and training measures.

**CAUTIONARY STATEMENT:** SOME OF THE STATEMENTS MADE IN THE MANAGEMENT DISCUSSIONS & ANALYSIS MENTIONING THE COMPANY'S OBJECTIVE, ESTIMATES, PROJECTIONS, EXPECTATIONS, AND PREDICTIONS MAY BE FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF APPLICABLE SECURITIES LAWS AND REGULATIONS. THE EXPECTATIONS ARE BASED ON REASONABLE ASSUMPTIONS; THE ACTUAL RESULTS MAY DIFFER FROM THE IMPLIED. THE COMPANY'S OPERATIONS ARE DEPENDENT BY MANY EXTERNAL AND INTERNAL FACTORS BEYOND THE CONTROL OF THE COMPANY. THE COMPANY ASSUMES NO RESPONSIBILITY TO PUBLICLY AMEND, MODIFY OR REVISE ANY FORWARD-LOOKING STATEMENTS BASED ON SUBSEQUENT EVENTS OR INFORMATION.







## ● SUSTAINABILITY & SOCIAL RESPONSIBILITY

**Suven Pharma is a successful manufacturer of critical medicines that secure lives. But Suven Pharma doesn't stop at healing lives; it is also committed to giving people a better life.**

Over the years, Suven Pharma has earned the reputation of a socially responsible organisation with an uncompromising commitment to upgrading human lives and the environment. The Company works to empower and integrate the underprivileged into the mainstream, enabling them to live better.





**SUSTAINABILITY & SOCIAL RESPONSIBILITY**

As a socially responsible organisation, the Company works to improve the quality of life of communities living around its facilities. The Company has a well-laid-out Corporate Social Responsibility framework. The framework is a mixture of charitable and educational programmes and a host of community services that support a wide range of socio-economic and demand-driven initiatives that run through the year.

Corporate Social Responsibility is integral to the business at Suven Pharma, and it prioritises the promotion of education, healthcare, women empowerment, environmental sustainability, rural development, safe drinking water and protection of the environment and mid-day meal programs.

The Company spent ₹ 778.12 lakhs on its social and environmental commitments in 2023-24 to make the business sustainably profitable.

**Safe Drinking Water**



Suven Pharma has set up several purified drinking water RO plants and supplies drinking water to neighbouring villages suffering from water scarcity.

**Hunger Management**



With assistance from the ROTI Foundation, Suven Pharma sponsored the distribution of over 37,500 meals, benefitting over 3,000 beneficiaries in need of food.

## Education



Endeavour to promote education as a core area of philanthropical activity witnessed around 2,400 unprivileged students being provided with books and uniforms and around 450 students with assistance in education fees. Many students also benefitted through the Mid Day Meals programme assisted by Suven Pharma. In 2023-24, Suven Pharma continued contributing to 'Science on Wheel Mobile Lab' to ignite enthusiasm and promote science education among students.

Science on Wheels Program: April 2023 – March 2024

### Quantitative Exposure Data 2023-24

Program	Activities	Achieved
Face to face sessions	No. of Sessions	1,062
	Total Student Exposures	29,630
	Total Teacher Exposures	1,021
Science Fair	No. of Fairs conducted	2
	Total Student Exposures	770
	No. of Young Instructors	85
	No. of teachers	40
Community Visits	No. of Visits	22
	No. of Children	1,633
	No. of Community members	1,686

During 2023-24, over 100 teachers and 7,151 students from 20 schools in the neighbourhood of Suryapet actively participated in various events conducted by Janyaa Foundation, with whom Suven Pharma partnered. The events include Lab in a Box, in-person-teacher workshops, Nature Lab, Science Rangoli and the Janyaa social innovation challenge.



In addition to its regular programs, Suven Pharma sponsored a Science Laboratory at Chinmaya Vidyalaya Tarapur, Boisar, Palghar district, Maharashtra, benefitting over 1,100 students in classes 3 to 12.



### Environmental Sustainability

The sustainability ethos at Suven ensures the protection of the surrounding environment and natural resources. With a vision to safeguard the environment, the Company continues contributing towards various sustainability goals.



# BOARDS' REPORT



To the Members of  
**Suven Pharmaceuticals Limited**

Your Company's Board of Directors has pleasure in presenting this 6<sup>th</sup> Annual Report together with Ind AS compliant Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2024.

## Financial Highlights

(₹ in Lakh)

Particulars	Standalone		Consolidated	
	Financial Year 2023-24	Financial Year 2022-23	Financial Year 2023-24	Financial Year 2022-23
Revenue from operations	1,02,499	1,33,008	1,05,135	1,34,033
Other income	5,509	4,455	6,191	4,636
<b>Total income</b>	<b>1,08,008</b>	<b>1,37,463</b>	<b>1,11,326</b>	<b>1,38,669</b>
<b>Expenses</b>				
Operating expenditure	61,509	73,939	64,554	76,617
Depreciation and amortization expense	4,879	4,310	5,460	4,799
<b>Total Expenses</b>	<b>66,388</b>	<b>78,249</b>	<b>70,014</b>	<b>81,415</b>
Profit before finance costs and tax	41,620	59,214	41,312	57,254
Finance costs	743	1,275	745	1,281
<b>Profit before Tax</b>	<b>40,877</b>	<b>57,939</b>	<b>40,567</b>	<b>55,973</b>
Tax expense	10,396	14,679	10,539	14,844
<b>Profit for the year</b>	<b>30,481</b>	<b>43,260</b>	<b>30,028</b>	<b>41,129</b>
Other Comprehensive Income				
Items that will not be reclassified to profit or loss	(39)	(35)	10	(27)
Income tax relating to items that will not be reclassified to profit or loss	10	9	10	9
Items that will be reclassified subsequently to profit or loss	-	-	1,300	55
Total Other Comprehensive Income / (Loss) for the year	(29)	(26)	1,320	37
<b>Total Comprehensive Income for the year</b>	<b>30,452</b>	<b>43,234</b>	<b>31,348</b>	<b>41,166</b>
Retained earnings - opening balance	1,49,007	1,27,639	1,46,516	1,27,271
Add: Profit for the year	30,452	43,234	29,996	41,110
Less: Dividend paid	-	(20,365)	-	(20,365)
Transfer to General Reserve	-	(1,500)	-	(1,500)
<b>Retained earnings - closing balance</b>	<b>1,79,459.47</b>	<b>1,49,007</b>	<b>1,76,512</b>	<b>1,46,516</b>
<b>Earnings per Share (EPS)</b>	<b>11.97</b>	<b>16.99</b>	<b>11.80</b>	<b>16.16</b>

## Overview

During the financial year 2023-24, on a standalone basis, your company has recorded revenue from operations of ₹1,02,499 Lakhs as against ₹1,33,008 Lakhs during the financial year 2022-23 registering a decrease of 23%. Profit after tax for the financial year 2023-24 stood at ₹30,482 Lakhs as against ₹43,260 Lakhs during the financial year 2022-23 registering a decrease of 30%.

On consolidated basis, revenue from operations stood at ₹1,05,135 Lakhs during the financial year 2023-24 as against ₹1,34,033 Lakhs registering a decrease of 22%. Profit after tax for the financial year 2023-24 ₹30,028 Lakhs as against 41,129 Lakhs during financial year 2022-23 registering a decrease of 27%.

The overall decline in standalone and consolidated revenue from operations over the previous financial year 2022-23 was primarily due to the Global slowdown, Ag Chem destocking, COVID base effect, and commodity pricing. Pharma CDMO grew by 9.4% ex-COVID base, impacted by temporary destocking for a few products, which your company doesn't expect to continue.

Adjusted EBITDA margins were 41.4% on a consolidated basis, primarily due to one-time adjustments of ₹769 Lakhs, comprising an ESOP charge of ₹199 Lakhs and others of ₹570 Lakhs relating to expenses towards the proposed merger of Cohance Lifesciences with your company.

The Company has inaugurated a new Research and Development Centre at Genome Valley in Shameerpet, Hyderabad, in the presence of senior executives from a leading global biopharmaceutical company.

Your company was honoured with an International Safety Award from the British Safety Council for excellence in Occupational Health & Safety to our recently USFDA-cleared Pashamylaram unit-3.

Outlook: The Board believes that the recovery will happen in H2FY25, and on a full-year basis, your company is expected to see growth in both revenue and EBITDA compared to the financial year 2023-24.

## Exports

The exports of the Company continue to be the major portion of revenue from operations, accounting for ₹92,034 lakhs, representing 89.79% of the total revenue operations of ₹1,02,499 lakhs during the year under review.

## Dividend

The Board of Directors of the Company does not recommend paying a dividend for the year ended 31 March 2024.

## Transfer to Reserves

The Board of Directors has decided to retain the entire profit for the financial year 2023-24 in the Retained Earnings.

## Share Capital

The paid-up Equity Share Capital as of 31 March 2024 was ₹2545.65 lakhs. During the year under review, the Company did not issue any shares with differential voting rights or sweat equity shares but granted stock options to the eligible employees in accordance with the provisions of the Employees Stock Option Plan (ESOP 2023).

## Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as of March 31, 2024 is available on the Company's website and can be accessed at web link at <https://suvphenpharm.com/financial-info/#financialInfoSection>

## Number of Meetings of the Board and Audit Committee

During the year under review, nine Board Meetings and seven Audit Committee Meetings were convened and held. The details of these meetings are presented in the Corporate Governance Report, which forms part of this Annual Report.

The Audit Committee is composed of independent and non-executive directors. Shri Vinod Rao is the Chairperson, and Shri KG Ananthkrishnan and Shri Pankaj Patwari are members. The time gap between the said meetings was within the period prescribed under the provisions of the Companies Act, 2013, and the SEBI guidelines thereof.

## Directors Responsibility Statement

Your Directors state that:

- (a) The applicable accounting standards have been followed in preparing the Annual Accounts and there were no material departures.
- (b) Such accounting policies have been selected and applied consistently and judgments and estimates made when required that are reasonable and prudent to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.



- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) The Directors have prepared the Annual Accounts on a going concern basis.
- (e) Proper internal financial controls were in place to be followed by the Company, and the financial controls were adequate and were operating effectively.
- (f) Proper systems devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **Policy on Nomination & Remuneration**

The Board has on the recommendation of the Nomination & Remuneration Committee, framed a policy for the selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report and forms part of this report and is also available on [https://www.suvenpharm.com/images/pdf/policies/Remuneration\\_Policy.pdf](https://www.suvenpharm.com/images/pdf/policies/Remuneration_Policy.pdf)

#### **Dividend Distribution Policy**

The Board has adopted a suitable Policy for Dividend Distribution as per the requirements of SEBI Guidelines. The policy has been uploaded on the Company's website and can be accessed at <https://www.suvenpharm.com/images/pdf/policies/dividend-distribution-policy.pdf>

#### **Particulars of Loans, Guarantees or Investments**

Details of loans given, investments made, guarantees given, and securities provided are furnished in the Standalone Financial Statement, which can be referred to Note No. 6(b) to the Standalone Financial Statements.

Apart from this, the Company did not give any Loans, Investments, guarantees, or securities during the year under the provisions of Section 186 of the Companies Act, 2013.

#### **State of Affairs**

During the financial year 2023-24, there is no change in the company's business or its wholly-owned subsidiaries. Further information on the company's business overview, outlook, and state of affairs is discussed in detail in the Management Discussion & Analysis section. No other companies have become or ceased to be your Company's

subsidiaries, joint ventures or associate companies during the year.

#### **Subsidiary companies**

Your Company has one international wholly-owned subsidiary company and one wholly-owned subsidiary Company in India as of 31<sup>st</sup> March 2024. The consolidated financial statements of the Company, prepared in accordance with Indian Accounting Standards as specified in the Companies (Indian Accounting Standards) Rules, 2015, form part of the annual report.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of financial statements of subsidiaries in Form AOC-1 is attached to the financial statements of the Company. Further, pursuant to the provisions of Section 136 of the Act, separate audited financial statements in respect of the subsidiary companies shall be kept open for inspection at the Corporate Office of the Company during working hours for a period of 21 days before the date of the Annual General Meeting. Your Company will also make available these documents upon request by any Member of the Company interested in obtaining them. The financial performance of the subsidiaries forms part of the consolidated financial highlights presented in this report, and separate audited financial statements in respect of the subsidiary companies is also available on the website of your Company at <https://suvenpharm.com/financial-info/#financialInfoSection>

#### **Amalgamation of group companies**

The Board of Directors of your Company has approved on 29<sup>th</sup> February 2024 the draft Scheme of Amalgamation of Cohance Lifesciences Limited (an Advent-managed group company) into and with your company subject to necessary statutory and other stakeholders approvals. Also, on 29<sup>th</sup> February 2024, approved the Scheme of Amalgamation of Casper Pharma Private Limited – a wholly owned subsidiary company into and with your company subject to necessary statutory approvals. Your company has filed applications with BSE and NSE seeking their NOC to approach Hon'ble NCLT, Bench at Mumbai for suitable directions. Your company's Registered Office was shifted to Mumbai in Maharashtra State from Hyderabad in Telangana State pursuant to approval given by The Regional Directors, South Eastern Region, Ministry of Corporate Affairs.

#### **Related Party Transactions**

The Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the

prescribed Form AOC-2 pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014, forms part of this report as “Annexure – A”.

The Board has approved a policy for related party transactions and has been uploaded on the Company’s website at <https://suvenpharm.com/corporate-governance/>

### Material Changes and Commitments affecting the financial position of the Company

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company, i.e., 31<sup>st</sup> March 2024 and the date of the Directors’ report i.e., 12<sup>th</sup> July, 2024, other than the proposed initial acquisition of 67.5% equity stake in Sapala Organics Private Limited (“Sapala”) a Hyderabad based company (i.e., 51% of the share capital on a fully diluted basis) for consideration of ~INR 2,295 mn and to acquire remaining equity stake a few months after FY2026-27, from the sellers as per the terms of the definitive agreement dated 13<sup>th</sup> June 2024 entered into by your company subject to statutory approvals if required as per legal framework of applicable law, and customary closing conditions such that, post consummation, the Company will own 100% of the share capital of Sapala on a fully diluted basis.

### Change in Management

The founder promoters of the company have signed on 26<sup>th</sup> December 2022 a definitive agreement to sell a part of their stake to the extent of 12,75,37,043 equity shares of face value of ₹1/- each representing 50.10% of paid-up capital of your company to the Acquirer – Berhyanda Limited a Cyprus based foreign company (an investment arm of Advent International Corporation USA based private equity fund) which has invested in your company for a purchase consideration of ₹495/- per equity share of face value of ₹1/- each and the said transaction was consummated on 29<sup>th</sup> September, 2023. Upon signing the definitive agreement, the said transaction details were notified to the stock exchanges in terms of Regulation 30 of the SEBI LODR Regulations, 2015, as amended and can be accessed at weblink: <https://suvenpharm.com/>. Since then, your company’s operations have been under the control of the new management. The company shall comply with applicable provisions relating to downstream investments, if any, made in accordance with the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended.

### Changes in Board of Directors and Key Managerial Personnel

Consequent upon the said change in management control pursuant to SEBI SAST Regulations, the Board had recommended to the shareholders the appointment of the following new Directors based on the recommendations of Nomination and Remuneration Committee as per the compliance requirements under the applicable provisions of Companies Act, 2013 and SEBI Regulations. The shareholders in the 5<sup>th</sup> Annual General Meeting held on 15<sup>th</sup> December, 2023 have approved the said appointments.

- |    |  |                          |
|----|--|--------------------------|
| 1. | Mr. Vaidheesh Annaswamy                              | - Executive Chairman     |
| 2. | Dr. Vetukuri Venkata Naga<br>Kali Vara Prasada Raju  | - Managing Director      |
| 3. | Mr. Pankaj Patwari                                   | - Non-Executive Director |
| 4. | Ms. Shweta Jalan                                     | - Non-Executive Director |
| 5. | Ms. Matangi Gowrishankar                             | - Independent Director   |
| 6. | Mr. Vinod Rao  | - Independent Director   |
| 7. | Mr. Kumarapuram<br>Gopalakrishnan<br>Ananthakrishnan | - Independent Director   |
| 8. | Mr. Pravin Udhyavara<br>Bhadya Rao                   | - Independent Director   |

All previous executive and non-executive directors viz; Shri. Venkateswarlu Jasti, Shri. J.V.Ramudu, and Dr. Jerry Jeyasing, Shri. D.G.Prasad, Shri. V Sambasiva Rao and Smt. Deepanwitha Chattopadhyay have resigned from the Board effective from 29<sup>th</sup> September, 2023. The previous independent directors have resigned due to personal reasons, and no other material reasons were mentioned in their respective resignation letters.

During the year, the following Key Managerial Personnel were appointed:

- |    |                        |                           |
|----|------------------------|---------------------------|
| 1. | Dr. Sudhir Kumar Singh | - Chief Executive Officer |
| 2. | Mr. Himanshu Agarwal   | - Chief Financial Officer |

Further, Mr. P Subba Rao has resigned as Chief Financial Officer of the Company effective from 2<sup>nd</sup> January, 2024.



### Declaration by Independent Directors

All independent directors of the Company have given declarations under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI Listing Regulations and also affirmed compliance with Code of conduct as required under Regulation 26(3) of the Listing Regulations.

In the opinion of the Board, all the new Independent Directors possess the integrity, expertise, and experience, including the proficiency, required to be Independent Directors of the Company. They fulfill the conditions of independence as specified in the Act and the Listing Regulations and are independent of management. They have also complied with the Code for Independent Directors as prescribed in Schedule IV of the Companies Act, 2013.

### Directors Retiring by Rotation

In accordance with the provisions of the Companies Act, 2013, Mr. Pankaj Patwari, Director (DIN: 08206620) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

The brief profile of the director seeking re-appointment at the ensuing Annual General Meeting is presented in the Annual Report.

### Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The information on energy conservation, technology absorption, foreign exchange earnings, and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, forms part of this report as **"Annexure—B."**

### Risk Management

The Board of Directors has constituted a Risk Management Committee, which is entrusted with the responsibility of overseeing various organizational risks. The Corporate Governance Report, which forms part of this Report, contains the details of the Risk Management Committee of the Company. The Risk Management Committee assesses the adequacy of mitigation plans to address such risks. The Board approved a suitable risk management policy to take care of all aspects of Contract Development and Manufacturing Operations (CDMO) business model of your Company. In addition, your company regularly conducts

safety and preventive audits in all plants and ensures that necessary safeguards are in place to protect the work force and assets against all perils with appropriate insurance policies.

### Corporate Social Responsibility

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has established Corporate Social Responsibility (CSR) Committee composed of Shri. Vaidheesh Annaswamy as Chairperson, Shri. KG Ananthakrishnan and Smt. Matangi Gowrishankar as members. The CSR programs of the Company were implemented by the following agencies: i. Suven Trust, ii. Chinmaya Vishwa Vidyapeeth, iii. Central Chinmaya Mission Trust, iv. YUVA Unstoppable and v. Roti Foundation. The Board has approved two identified projects relating to developing a Chemistry Laboratory and upgradation of Schools as ongoing projects whose completion is stretching beyond fiscal 2023-24 closure. The details of the said ongoing projects were disclosed in the CSR statement annexed to the Directors' Report. In accordance with the amended rules your company does not require to undertake the impact assessment of CSR projects.

Annual Report on CSR Activities forms part of this Report as **"Annexure – C"**. The CSR Policy, Committee Composition and CSR programs details are available on the Company's website on <https://suvenpharm.com/csr/csr-policy/>

### Performance Evaluation of the Board

Pursuant to the provisions of the Companies Act, 2013 and as per the SEBI (LODR) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, and directors individually as well as the evaluation of the working of its Committees.

The Board discussed upon the outcome of performance evaluation and concluded that they were satisfied with the overall performance of the Board and Committees of the Board and Directors individually. The Board also assessed the fulfilment of the independence criteria by the Independent Directors of the Company and their independence from the management as specified in the Listing Regulations. The Independent Directors separately carried out evaluation of Chairperson, Non-Independent Directors and Board as a whole. The performance of each committee was evaluated by the Board, based on views received from respective

committee members. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

### Deposits

During the financial year 2023-24, the Company has not accepted any fixed deposits, and, as such, no amount on account of principal or interest on deposits was outstanding as on the date of the balance sheet.

### Internal Financial Control Systems and their Adequacy

Your Company has laid down set of standards which enables to implement internal financial control across the organization and ensure that the same are adequate and operating effectively (1) to provide reasonable assurances that: transactions are executed in conformity with generally accepted accounting principles/standards or any other criteria applicable to such statements, (2) to maintain accountability for assets; access to assets is permitted only in accordance with management's general or specific authorization and the maintenance of records that are in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company; and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the assets that could have a material effect on the financial statements. The Audit Committee of the Board reviews the reports submitted by the independent internal auditors and monitors the functioning of the system.

### Vigil Mechanism

The Company promotes ethical behavior in all its business activities. Towards this, the Company has adopted a policy on Whistle Blower mechanism to deal with instance of fraud and mismanagement, if any. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also posted on the website of the Company at <https://www.suvenpharm.com/images/pdf/policies/whistle-blower-policy.pdf>

### Particulars of Employees and Remuneration

The information required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report as "Annexure – D".

### Corporate Governance

A detailed Report on Corporate Governance prepared in compliance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the Practicing Company Secretary Certificate regarding the compliance of conditions of corporate governance, is presented in a separate section forming part of the Annual Report.

### Management's Discussion and Analysis

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the SEBI (LODR) Regulations, 2015, is presented in a separate section forming part of the Annual Report.

### AUDITORS

#### Statutory Auditors

Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed thereunder the Company in its 1<sup>st</sup> Annual General Meeting (AGM) held on 30<sup>th</sup> November, 2019 has appointed M/s. Karvy & Co., Chartered Accountants (Firm Registration No. 0017575) as statutory auditors for a period of 5 years from the conclusion of 1<sup>st</sup> AGM till the conclusion of the 6<sup>th</sup> AGM to be held in the year 2024, accordingly the term of the existing statutory auditors will expire at the conclusion of the ensuing Annual General Meeting. The Auditor's Report does not contain any qualifications nor adverse remarks.

The Board of Directors at its meeting held on July 12, 2024, considered the recommendations of audit committee to rotate the statutory auditors and recommended to the members the appointment of M/s. Walker Chandiok & Co LLP & Co. (Registration No. 001076N/N500013) as statutory auditors of the Company (in place of outgoing statutory auditors M/s. Karvy & Co., Chartered Accountants) for a term of five consecutive years, from the conclusion of the ensuing 6<sup>th</sup> Annual General Meeting of the Company till the conclusion of the 11<sup>th</sup> Annual General Meeting to be held in the year 2029.

#### Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. DVM & Associates LLP,



Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report forms part of this report as “Annexure – E”. The Secretarial Audit Report does not contain any qualifications nor adverse remarks.

### **Cost Records and Audit**

During the year under review, in terms of Cost (Records and Audit) Amendment Rules, 2014 dated 31<sup>st</sup> December, 2014 issued by the Central Government, the requirement for Cost Audit is not applicable to the Company based on the export turnover criteria prescribed under Cost Audit Rules. However, the Company is maintaining such accounts and record as specified by the Central Government and as applicable to the Company under sub-section (1) of section 148 of the Companies Act, 2013.

### **Business Responsibility and Sustainability Report**

The Business Responsibility and Sustainability Report as required under the SEBI Listing Regulations, describing the initiatives taken by the Company from environment, social and governance perspective, posted on the website of the Company at <https://suvenpharm.com/financial-info/>

### **Suven Pharmaceuticals Limited Employee Stock Option Plan 2023 (ESOP 2023)**

During the year under review, the Company has approved the “Suven Pharmaceuticals Limited - Employee Stock Option Plan 2023” and the existing scheme “Suven Pharma Employee Stock Option Scheme 2020” is closed with the approval of shareholders through postal ballot resolution.

As per the approval given by the shareholders on 13<sup>th</sup> February 2024, the Board has been authorised to introduce, offer, issue, and provide share-based incentives to eligible employees of the Company and its subsidiaries under the ESOP 2023 plan. In terms of the scheme, the total number of options to be granted is 1,25,00,000 with a face value of ₹1/- each.

The nomination and remuneration committee (NRC), in its meeting held on 24<sup>th</sup> February 2024, has granted 65,94,308 options under the ESOP 2023 plan during the year ended 31<sup>st</sup> March 2024. Upon granting of the options it shall vest in one or more tranches based on the achievement of defined annual performance parameters as determined by the administrator (the NRC). The details of the options granted

as per ESOP 2023 are available in the Notes to accounts of the financial statements in this Annual Report.

The total number of equity shares to be allotted to the employees of the Company and its subsidiaries under the ESOP 2023 does not cumulatively exceed 4.91% of the issued and paid up capital.

The ESOP 2023 is drawn up in compliance with the Securities and Exchange Board Of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time, and there have been no material changes to the plan during the fiscal.

The ESOP 2023 details, including terms of reference and the requirement specified under Regulation 14 of the SEBI Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are available on the Company’s website at [www.suvenpharm.com](http://www.suvenpharm.com).

### **Transfer of Unpaid and Unclaimed amounts to the Investor Education and Protection Fund (IEPF)**

Since your company was incorporated in 2018, it will ensure compliance with the applicable provisions of the IEPF Rules at the appropriate time.

### **Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

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

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

### **General**

The Company has complied with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India during the year under review. Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these matters during the year under review:

- (i). The details of frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government
- (ii). The details of an application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year, along with their status as at the end of the financial year.
- (iii). The details of the difference between the valuation amount done at the time of one-time settlement and the valuation done while taking a loan from the Banks or Financial Institutions, along with the reasons thereof.
- (iv). No significant material orders have been passed by the regulators/ courts /tribunals that would impact the company's going concern status and future operations.

### Acknowledgements

Your Directors wish to place on record their gratitude to Shareholders for the confidence reposed by them and thank all the shareholders, customers, dealers, suppliers and other business associates for contributing to your Company's growth. The Directors also wish to place on record their appreciation of the valuable services rendered by the executives, staff and workers of the Company.

Your Directors also thank the central and State Governments, Financial Institutions, and Banks for their support during the year, and we look forward to its continuance.

### For and on behalf of the Board of Directors

**Annaswamy Vaidheesh**

*Chairman*

DIN: 01444303

**V. Prasada Raju**

*Managing Director*

DIN: 07267366

Place: Hyderabad,  
Date: July 12, 2024



## Annexure – A to the Board’s Report

### Form No. AOC-2

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

Disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm’s length transactions under third proviso thereto

1. There are no contracts/arrangements/transactions entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 which are not at arm’s length basis.
2. The following are the contracts/arrangements/transactions entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 which are 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, if any:
Ms. Kalyani Jasti – daughter of Shri Venkateswarlu Jasti, Managing Director	Serving the company as President (US Operations)	Employment upto 29 <sup>th</sup> September 2023	Monthly salary of USD 43890/- being paid. She takes care of US Operations. Terms of employment are as per service rules of the company.	November 08, 2022	Nil
Suven Life Sciences Ltd: Entity under the common control (upto 12 <sup>th</sup> January, 2024)	Availing Analytical & Toxicology services / supply of manufactured materials	5 years	Aggregate value of transactions shall be not exceeding ₹100.00 Crore per financial year.	August 08, 2022	Nil
Casper Pharma Pvt Ltd (WOS)	Lease rent earned	11 months (upto 5 <sup>th</sup> February 2024)	The Company provided its office space situated at 6 <sup>th</sup> Floor of ‘SDE Serene Chambers’, Road No. 5, Banjara Hills, Hyderabad, on lease and the amount charged is ₹34,800/- per month.	-	-
Casper Pharma Pvt Ltd (WOS)	Lease rent earned	11 months (from 6 <sup>th</sup> February 2024)	The Company provided its office space situated at 6 <sup>th</sup> Floor of : 202, A-Wing, Galaxy Towers, Plot No.1, Hyderabad Knowledge City, TSIC, Raidurg, Hyderabad, on lease and the amount charged is ₹30,000/- p.m.	-	-
Cohance Lifesciences Ltd	Lease rent expenses	24 months	The Company has taken Cohance Lifesciences Ltd office space situated at 6 <sup>th</sup> Floor of : # 215 Atrium, C Wing, 8 <sup>th</sup> Floor, 819-821, Andheri Kurla Road, Chakala, Andheri East, Chakala Midc, Mumbai, on lease and the amount charged is ₹78,500/- p.m.	29 <sup>th</sup> February 2024	-
Cohance Lifesciences Ltd	Availing Analytical & Toxicology services / supply of manufactured materials	1 year	Aggregate value of transactions shall be not exceeding ₹10.00 Crore.	29 <sup>th</sup> February 2024	-

**For and on behalf of the Board of Directors**

**Annaswamy Vaidheesh**

Chairman

DIN: 01444303

**V. Prasada Raju**

Managing Director

DIN: 07267366

Place: Hyderabad,  
Date: July 12, 2024

## Annexure – B to the Board’s Report

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

[Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

#### (A) CONSERVATION OF ENERGY

##### (i). The steps taken or impact on conservation of energy;

We recognize the vital importance of conserving energy not only for the sustainability of our operations but also for the larger environmental impact. We are committed to minimizing our energy consumption through various initiatives and strategies across all sites of our operations. During FY 23-24, we have taken the following steps to conserve energy:

- Installed auto On/Off switch with temperature controller for cooling towers,
- Installed the Flash steam recovery system and reused the flash steam as a heating utility for the methanol distillation column,
- Dry vacuum pumps for the O-Xylene distillation process to replace the steam consumption
- Installed VFDs for the cooling tower fans to reduce the speed based on the temperature set point
- Replaced conventional lights with LED lights
- Replaced old and Rewind motors with High-efficiency motors, etc.

We have also identified the following initiatives for the implementation in FY24-25:

- Replacement of conventional utility of Unit-1 with high energy efficient chiller & air compressor
- Energy Recovery from Air compressors
- Existing Aluminum fans to be replaced with high energy-efficient cooling fans
- Auto tube cleaning system for the Chiller Condensers
- Replacement of the IE-2 Motors & Re-wounded motors with IE-3 Motors
- Replacement of conventional vacuum pumps (water+steam Jet) with dry screw vacuum pumps
- Replacing of steam purging hot water system to Skid mounted (PHE) hot water systems

Through regular Energy Audits and assessments, we identify areas of improvement and implement energy-efficient technologies and practices

##### (ii). The steps taken by the company for utilizing alternate sources of energy;

We have actively invested in renewable energy projects and installed rooftop and ground-mounted solar plants of 3.05 MWp at various sites. We have also conducted biomass co-firing trials in our process boilers for steam generation. These initiatives not only reduce our carbon footprint but also contribute to a more sustainable energy ecosystem

##### (iii). The capital investment on energy conservation equipment’s;

During the year app. ₹1 Cr on energy conservation measures, energy audits and other initiatives.

#### (B) TECHNOLOGY ABSORPTION

##### (i). Efforts made towards technology absorption;

Your Company is a research-first-led organization with a strong R&D team. We’ve modernized our R&D facility by updating and upgrading all the equipment and inaugurated a new campus at Genome Valley. Starting pilot scale to full-blown commercial manufacturing, Suven Pharma is fully equipped to handle almost all chemistries



and is future-ready with capacity. We primarily focus on small molecules for global innovative pharmaceutical companies during their clinical phase of drug development.

**(ii). Benefits derived like product improvement, cost reduction, product development, import substitution;**

- Faster turnaround of RFQs to customers due to the digitalization of the entire RFQ process.
- Improve the turnaround time for pre-clinical projects by utilizing the parallel screening approach during development.
- Better price realization for customers- by implementing backward integration and continuous improvement of existing process.
- Strengthening the Process Safety and Engineering division.
- Sourcing from multiple vendors to reduce dependencies- Alternate Vendor Development program for Key raw materials

**(iii). In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year).**

a)	Technology imported	NIL
b)	Year of import	NA
c)	Whether the technology been fully absorbed	NA
d)	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof.	NA

**(iv). Expenditure incurred on Research and Development:**

		(₹ in lakhs)	
Sl. No.	Particulars	2023-24	2022-23
(a)	Capital	500	Nil
(b)	Recurring	1,112	859
(c)	Total R&D expenditure	1,612	859
(d)	Total R&D and innovation expenditure as a percentage of total turnover	1.57%	0.6%

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

		(₹ in lakhs)	
Sl. No.	Particulars	2023-24	2022-23
(a)	Foreign Exchange earned	1,08,567	1,46,719
(b)	Foreign Exchange outgo	21,194	18,477

**For and on behalf of the Board of Directors**

**Annaswamy Vaidheesh**  
Chairman  
DIN: 01444303

**V. Prasada Raju**  
Managing Director  
DIN: 07267366

Place: Hyderabad,  
Date: July 12, 2024

## Annexure – C to the Board’s Report

### ANNUAL REPORT ON CSR ACTIVITIES

#### 1. Brief outline on CSR Policy of the Company.

Our Company recognizes that business enterprises are economic organs of society and part of society and draw on societal resources for their growth. We have a duty towards society and the communities and neighborhoods in whose vicinity we operate.

#### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri Vaidheesh Annaswamy#	Chairman - Executive Director	2	1
2	Shri. KG Ananthakrishnan#	Member - Independent Director	2	1
3	Smt. Matangi Gowrishankar#	Member – Independent Director	2	1
4	Shri J. V. Ramudu *	Chairman	2	1
5	Smt. Deepanwita Chattopadhyay *	Member - Independent Director	2	1
6	Shri Venkateswarlu Jasti *	Member - Executive Director	2	1
7	Dr. Vajja Sambasiva Rao *	Member - Independent Director	2	1

# With effect from 29<sup>th</sup> September 2023

\*Upto 29<sup>th</sup> September 2023

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

Composition of the CSR committee shared above and is available on the Company’s website on [www.suvenpharm.com](http://www.suvenpharm.com)

CSR policy - <https://suvenpharm.com/csr/csr-policy/>

CSR projects – <https://suvenpharm.com/csr/csr-projects/>

#### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). – Not Applicable

#### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
	-	NIL	NIL

#### 6. Average net profit of the company as per section 135(5): ₹56,649.66 lakhs

#### 7. (a) Two percent of average net profit of the company as per section 135(5): ₹1,132.99 lakhs



(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: ₹ Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 1,132.99 lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (₹ lakhs)	Amount Unspent (₹ lakhs)				
	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
778.12	356.00	15-Apr-2024	-	NIL	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No)	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project (in ₹).	(8) Amount spent in the current financial Year (in ₹).	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	(10) Mode of Implementation - Direct (Yes/No).	(11) Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number
	NIL	-	-	-	-	-	-	-	-	-	-	-

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (₹ In Lakhs).	(7) Mode of Implementation - Direct (Yes/No).	(8) Mode of implementation - Through implementing agency	
				State.	District.			Name	CSR Registration Number
1	Training to promote rural sports, nationally recognized sports	(vii)	Yes	Telangana	Nalgonda	5.08	No	SUVEN TRUST	CSR00009097
2	Providing safe drinking water to community, installing RO plant, maintenance and water supply	(i)	Yes	Telangana	Nalgonda	71.47	No	SUVEN TRUST	CSR00009097
3	Educational Scholarship, Tuition Support	(ii)	Yes	Telangana & Andhra Pradesh	Hyderabad, Medak, Nalgonda & Vizag	119.80	No	SUVEN TRUST	CSR00009097

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (₹ In Lakhs).	Mode of Implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency	
				State.	District.			Name	CSR Registration Number
4	Promoting health care including preventive health care	(i)	Yes	Telangana & Andhra Pradesh	Hyderabad, Nalgonda & Vizag	421.55	No	SUVEN TRUST	CSR00009097
5	Rural Development Projects	(x)	Yes	Telangana	Nalgonda	104.47	No	SUVEN TRUST	CSR00009097
6	Environmental sustainability	(iv)	Yes	Telangana	Hyderabad	10.00	No	SUVEN TRUST	CSR00009097
7	Empowering women	(iii)	Yes	Telangana	Nalgonda	3.13	No	SUVEN TRUST	CSR00009097
8	Mid-Day Meal programme	(i)	No	Andhra Pradesh	Guntur	5.00	No	SUVEN TRUST	CSR00009097
9	Protection of art and culture	(v)	Yes	Telangana	Nalgonda	9.50	No	SUVEN TRUST	CSR00009097
10	Education	(ii)	No	Maharashtra	Boisar	13.12	No	Central Chinmaya Mission Trust	CSR00008084
11	Hunger	(i)	Yes	Maharashtra	Mumbai	15.00	No	Roti Foundation	CSR00006332
<b>TOTAL</b>						<b>778.12</b>			

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): 778.12 lakhs

(g) Excess amount for set off, if any:

Sl. No.	Particular	Amount (₹ in lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	1132.99
(ii)	Total amount spent for the Financial Year	778.12
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	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 (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
	---	-	-	-	-	-	-

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in The reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed /Ongoing
	NIL	-	-	-	-	-	-	-

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s): None

(b) Amount of CSR spent for creation or acquisition of capital asset: NIL

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. Specify the 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

**Annaswamy Vaidheesh**

Chairman

DIN: 01444303

**V. Prasada Raju**

Managing Director

DIN: 07267366



## Annexure – D to the Board’s Report

Information required under Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i). the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year and the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during the financial year:

Sl. No.	Name of the Director	Designation	Ratio of remuneration of each Director to median remuneration of employee	Percentage Increase In Remuneration
1.	Mr. Vaidheesh Annaswamy*	Executive Chairman	103.73:1	Not Applicable
3.	Mr. Vinod Rao*	Independent Director	4.99:1	Not Applicable
4.	Mr. KG Ananthkrishnan*	Independent Director	4.99:1	Not Applicable
5.	Ms. Matangi Gowrishankar*	Independent Director	4.99:1	Not Applicable
6.	Mr. U B Pravin Rao <sup>§</sup>	Independent Director	4.99:1	Not Applicable
7.	Dr. Sudhir Kumar Singh*	Chief Executive Officer	Not Applicable	Not Applicable
8.	Mr. Himanshu Agarwal <sup>^</sup>	Chief Financial Officer	Not Applicable	Not Applicable
9.	Mr. K Hanumantha Rao	Company Secretary	Not Applicable	15.58%
10.	Mr. Venkateswarlu Jasti <sup>#</sup>	Managing Director	107.98:1	15.00%
11.	Mr. P Subba Rao &	Chief Financial Officer	Not Applicable	11.58%

\* Appointed w.e.f 29<sup>th</sup> September, 2023

<sup>§</sup> Appointed w.e.f 9<sup>th</sup> November, 2023

<sup>^</sup> Appointed w.e.f 02<sup>nd</sup> January, 2024

<sup>#</sup> Ceased w.e.f 29<sup>th</sup> September, 2023

& Ceased w.e.f 02<sup>nd</sup> January, 2024

- i. Dr. V Prasada Raju, Managing Director is not drawing any remuneration from the Company.
- ii. In terms of criteria for making payment to non-executive Directors, Ms. Shweta Jalan and Mr. Pankaj Patwari, non-executive directors of the company are not drawing any remuneration from the Company.
- iii. Shri D. G. Prasad, Smt. Deepanwita Chattopadhyay, Dr. V. Sambasiva Rao, Independent Directors and Shri J. V. Ramudu, Non-executive Director were paid only sitting fees for attending the Board/ Committee Meetings till September 2023. Later, due to a change in the management control with effect from 29<sup>th</sup> September 2023, the new management has appointed the new independent, executive and non-executive directors replacing the previous independent, executive and non-executive directors.

- (ii). the percentage increase in the median remuneration of employees in the financial year; **11.87%**

- (iii). the number of permanent employees on the rolls of company;

There were 1052 permanent employees as on 31<sup>st</sup> March 2024

- (iv). average percentile increase already made 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 made in the salaries of employees other than the managerial personnel in the last financial year was 10 %. Whereas the remuneration of managerial personnel worked out to 14.86 % for the same financial year. The increments to managerial personnel were considered based on the performance of the Company and in line with the limit approved by the shareholders in the general meeting.

**(v). Affirmation that the remuneration is as per the remuneration policy of the company. Yes**

**Information as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended.**

**A) Top ten employees in terms of remuneration drawn during the financial year 2023-24.**

name of the employee	the age of employee	designa-tion of the employee	gross re-muneration received (₹ in lakhs)	nature of employ-ment, whether contractual or otherwise	qualifi-cations of the employee	experi-ence of the em-ployee	date of commence-ment of employ-ment	the last employment held by such employee before joining the company
Singi Venkat Subba Reddy	57 years	Vice President	80.95	Regular	B.Tech	33 Years	20-08-2014	Alivira Animal Health Care Ltd
Koneeru Venkata Seshagiri Rao	63 Years	Vice President	71.57	Regular	M.Sc	36 Years	13-10-2007	Vani Chemicals Ltd
Kondakindi Indrasena Reddy	50 Years	Assistant Vice President	66.58	Regular	Ph.D	23 Years	09-08-2002	Sven Genetech Ltd
Dixit Sunil	55 years	Associate Vice President	64.99	Regular	M.Sc	19 years	01-12-2022	Ajantha Pharma Ltd
Gangula Narender Reddy	64 years	Vice President	60.12	Regular	M.Sc	37 years	01-12-2022	Mylan Laboratories Ltd
P Nagarajan	49 years	Senior General Manager	59.79	Regular	Ph.D	27 Years	14-11-2005	Sun Pharmaceutical Industries Ltd
Parvatham Sreenivasa Rao Gangadhra Nagabhushana	62 years	Associate Vice President	57.43	Regular	M.Sc	37 Years	04-02-2021	Granules India Ltd
Venkatraman Sunder	62 years	Vice President	51.05	Regular	CA	37 years	01-07-2015	Arithmic Technology Inc
N Ravi Kumar Reddy	53 years	Senior General Manager	49.94	Regular	Ph.D	21 years	13-08-2009	Maniram Pharmaceuticals Ltd
Parupalli Subba Rao	66 years	Head Operations	46.72	Regular	ICMA	46 years	05-06-1995	Dr.Reddy's Laboratories Ltd

**B) Employees drawing remuneration of ₹102 lakhs or above per annum.**

<b>name of the employee</b>	<b>the age of employee</b>	<b>designa-tion of the employee</b>	<b>gross re-muneration received (₹ in lakhs)</b>	<b>nature of employ-ment, whether contractual or otherwise</b>	<b>qualifi-cations of the employee</b>	<b>experi-ence of the em-ployee</b>	<b>date of commence-ment of employ-ment</b>	<b>the last employment held by such employee before joining the company</b>
Vaidheesh Annaswamy	64 Years	Executive Chairman	291.13	Regular	MBA	40 years	29-09-2023	GSK Limited
Sudhir Kumar Singh	60 Years	Chief Executive Officer	209.15	Regular	Ph.D	30 years	29-09-2023	Aragen Life Sciences Limited
Himanshu Agarwal	53 Years	Chief Financial Officer	167.13	Regular	CA, CS, ICMA	29 years	02-01-2024	Bennett Coleman & Co Limited
Gaurav Narain Bahadur	53 Years	Chief Human Resource Officer	161.00	Regular	MPM Personnel	30 years	29-09-2023	Sanofi India Limited
Chinnapillai Rajendiran #	62 Years	Vice President (R&D)	107.74	Regular	M.Sc., Ph.D.	33 Years	21-01-2002	Sun Pharmaceuticals Ltd
Subba Raju Komaravolu	50 Years	Chief Strategy Officer	101.83	Regular	MBA	27 years	29-09-2023	Dr. Reddy's Laboratories Limited
E Esakki Ramkumar	45 Years	Senior Vice President	87.94	Regular	B.Tech	24 years	01-11-2023	Aragen Life Sciences Limited
Cyndrella Thommas Carvalho	39 Years	Investor Relations Officer	73.79	Regular	MBA (Finance)	16 years	01-09-2023	Jm Financial Limited
Pikin Jain	47 Years	Vice President	24.08	Regular	PGDM – International Business, BE(Mechanical)	26 years	01-02-2024	Neogen Chemicals Limited
Venkateswarlu Jasti*	74 years	Managing Director	650.65	Regular	M. Pharma; M.S. (Indus. Pharmacy)	50 years	06-11-2019	Business in USA

\* Ceased w.e.f 29<sup>th</sup> September, 2023

# Ceased w.e.f. 31<sup>st</sup> January, 2024

**For and on behalf of the Board of Directors**

**Annaswamy Vaidheesh**

Chairman

DIN: 01444303

**V. Prasada Raju**

Managing Director

DIN: 07267366

Place: Hyderabad,  
Date: July 12, 2024



## Annexure – E to the Board’s Report

### SECRETARIAL AUDIT REPORT

For the Financial Year ended 31<sup>st</sup> March, 2024

#### FORM NO. MR-3

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members  
**Suven Pharmaceuticals Limited**  
Hyderabad.

We have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable statutory provisions and the adherence to good corporate practices by **Suven Pharmaceuticals Limited** (hereinafter called as the “**Company**”). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minutes books, forms, returns filed and other records as maintained by the Company and also the information and according to the examinations carried out by us and explanations and information furnished and representations made to us 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 31<sup>st</sup> 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.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended 31<sup>st</sup> March, 2024 (“Audit Period”) and we report that during the period under review the Company has complied with the provisions of the following Acts, Rules, Regulations, Guidelines and Standards:
  - 1.1. The Companies Act, 2013 (the Act) and the Rules made thereunder;
  - 1.2. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made thereunder;
  - 1.3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - 1.4. The Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment;
  - 1.5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
    - 1.5.1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - 1.5.2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - 1.5.3. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;

- 1.5.4. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
- 1.5.5. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 1.6. The Secretarial Standards on the Meetings of the Board of Directors and the General Meetings issued by the Institute of Company Secretaries of India ('ICSI').
2. The Company is engaged in the business of Contract Development and Manufacturing Operations (CDMO). In view of the Management and on the basis of the Guidance Note issued by the ICSI, the following Industry Specific Acts are applicable to the Company:
  - 2.1. Drugs and Cosmetics Act, 1940 read with the Drugs and Cosmetics Rules, 1945;
  - 2.2. Narcotic Drugs and Psychotropic Substances Act, 1985 read with the Narcotic Drugs and Psychotropic Substances Rules, 1985;
  - 2.3. Petroleum Act, 1934;
  - 2.4. Inflammable Substances Act, 1952;
  - 2.5. Explosives Act, 1884 read with Explosive Rules, 1983;
  - 2.6. Poisons Act, 1919;
  - 2.7. Indian Boilers Act, 1923; and
  - 2.8. The Pharmacy Act, 1948.

Based on our reliance on the Compliance Certificates given by the respective Functional Heads, the Company has complied with the said Industry Specific Acts.

3. We report that:
  - 3.1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Directors. Further during the Audit Period, the entire composition of the Board of Directors was reconstituted, pursuant to acquisition.
  - 3.2. Adequate Notice along with agenda and detailed notes on agenda is given to all the Directors electronically to schedule the Board Meetings.
  - 3.3. There exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting. Decisions at the meetings of the Board of Directors and the Committees of the Board of the Company were taken unanimously.
  - 3.4. The Company's Corporate Social Responsibility ('CSR') activities were majorly carried on through Suven Trust and other Implementing Agencies, and unspent amount relating to the on-going projects has been transferred to the Company's Unspent Corporate Social Responsibility Account. Further, the Chief Financial Officer of the Company has provided a confirmation in this regard in terms of the Rule 4(5) of the Companies (Corporate Social Responsibility Policy) Rules, 2014.
  - 3.5. The Company has complied with the requirements of Regulation 3(5) and 3(6) of SEBI (PIT) Regulations, 2015. i.e., maintenance of Structured Digital Database (SDD) and submission of Compliance Certificate to the Stock Exchanges.

- 3.6. During the Audit Period, pursuant to the Share Purchase Agreement and Government approval, Berhyanda Limited ("Acquirer") has acquired 50.1% of the Equity Shares of the Company from the Jasti Property and Equity Holdings Private Limited (in its capacity as sole trustee of Jasti Family Trust) and in furtherance thereto, the Acquirer has acquired control over the Company and consequent to the Change of Control, the Acquirer has become the new promoter of the Company. Berhyanda Limited along with Berhyanda Midco Limited and Jusmiral Midco Limited made open offer to acquire up to 6,61,86,889 fully paid-up equity shares of face value of ₹1/- (Indian Rupee One only) each, representing 26.00% of the total voting share capital of the Company from the public shareholders. Further in view of the above acquisition, the Company has become a Company owned by persons resident outside India, therefore we advise the Company to ensure necessary downstream investment compliances, as applicable.
- 3.7. During the Audit Period, the Company has formulated and implemented Suven Pharmaceuticals Limited Employee Stock Option Plan 2023" and granted therein 65,94,308 Options to eligible employees.
- 3.8. It is to be noted that for the Audit Period the following Acts are not applicable:
- 3.8.1. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- 3.8.2. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- 3.8.3. The Securities and Exchange Board of India (Buy-back of Securities) Regulations 2018;
- 3.8.4. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- 3.9. There exist adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
4. We further report that during the audit period, there were no specific events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., except as provided in Auditor's Report.

For **M/s. DVM & Associates LLP**

*Company Secretaries*

L2017KR002100

*ICSI Peer Review Certificate No. 890/2020*

**DVM Gopal**

*Partner*

M No: F 6280

CP No: 6798

UDIN: F006280F000493085

Place: Hyderabad  
Date: May 30, 2024

**Note:** This letter is to be read with our letter of even date, which is annexed, and form an integral part of this report.



## ANNEXURE

To  
The Members  
**Suven Pharmaceuticals Limited**  
Hyderabad.

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 the random 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 the Management. Our examination was limited to the verification of procedures on a random 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 **M/s. DVM & Associates LLP**

*Company Secretaries*

L2017KR002100

*ICSI Peer Review Certificate No. 890/2020*

**DVM Gopal**

*Partner*

M No: F 6280

CP No: 6798

UDIN: F006280F000493085

Place: Hyderabad  
Date: May 30, 2024

# REPORT ON CORPORATE GOVERNANCE

## 1. STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company believes that good corporate governance practices are ingredients for the balanced development of an organization, which would not only maximize the shareholder's value but also contributed to sustained and long lasting development of the organization. The Board of Directors believes in ethical values and high moral standards in achieving the highest standards of corporate governance. All the SUVEN PHARMA activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them and adopt the best practices.

Simultaneously, in keeping with best practices, your Company committed to provide full spectrum of quality services and products in Contract Development and Manufacturing Operations (CDMO) by fulfilling customer's satisfaction.

## 2. BOARD OF DIRECTORS

### Composition of Board

The Board represents an optimum mix of professionalism, knowledge and experience. As on March 31, 2024, your company had a total strength of eight (8) Directors on the Board, comprising of: two (2) Executive Directors, two (2) Non-executive Directors (i.e. 50%) and four (4) Independent Directors (i.e. 50%). The Company immensely benefits from the professional expertise of the Independent Directors. The Board has an adequate combination of Executive Directors, Non-Executive and Independent Directors including 1 Woman Independent Director and 2 Non-executive -Non-Independent Directors.

None of the Directors on the Board is Member of more than ten Committees or Chairman of more than five Committees across all the public companies in which they are Directors. The Directors have made necessary disclosures regarding Committee positions in other public companies.

### Key information pertaining to Directors as on 31<sup>st</sup> March, 2024

Name of the Director	Category	No. of Board Meetings *		Attendance at the last AGM held on December 15, 2023	Director ship in other Public Companies	No. of Committee positions held in all companies \$	
		held	attended			Chairperson	Member
Shri Vaidheesh Annaswamy	Chairman & Executive Director	9	7	Yes	0	0	1
Dr. V. Prasada Raju	Managing Director	9	5	Yes	1	0	1
Shri. Pankaj Patwari	Non-Executive Director	9	5	Yes	3	0	4
Ms. Shweta Jalan	Non-Executive Director	9	3	No	4	0	1

Name of the Director	Category	No. of Board Meetings *		Attendance at the last AGM held on December 15, 2023	Directorship in other Public Companies	No. of Committee positions held in all companies §	
		held	attended			Chairperson	Member
Shri. KG Ananthkrishnan	Independent Non-Executive Director	9	7	Yes	1	1	2
Ms. Matangi Gowrishankar	Independent Non-Executive Director	9	7	Yes	6	1	4
Shri. Vinod Rao	Independent Non-Executive Director	9	7	Yes	1	2	3
Shri. UB Pravin Rao	Independent Non-Executive Director	9	4	Yes	4	2	6
Shri J. V. Ramudu	Chairman & Non-Executive Director	9	3	No	4	0	1
Shri Venkateswarlu Jasti	Managing Director & Promoter	9	3	No	1	0	1
Shri D. G. Prasad	Independent Non-Executive Director	9	3	No	2	2	2
Ms. Deepanwita Chattopadhyay	Independent Non-Executive Director	9	3	No	0	0	0
Dr. Jerry Jeyasingh	Non-Executive Director	9	2	No	0	0	0
Dr. Vajja Sambasiva Rao	Independent Non-Executive Director	9	3	No	1	1	2

\* Out of 9 board meetings held during the financial year ended 31<sup>st</sup> March 2024, 3 meetings held upto 29<sup>th</sup> September 2023 (being the date on which the transaction was consummated with the acquisition of 50.1% by the acquirer – Berhyanda Limited) were attended by the previous board members. The attendance details of the previous board members are presented in the above table. Effective from the said date of consummation of transaction the executive and non-executive directors viz; Shri. Venkateswarlu Jasti, Shri. J.V.Ramudu, and Dr Jerry Jeyasing have resigned from the board. The independent directors viz; Shri. D.G.Prasad, Shri. V Sambasiva Rao and Smt. Deepanwitha Chattopadhyay have resigned from the board due to personal reasons and no other material reasons mentioned in their respective resignation letters.

§ Committee membership includes chairperson position.

#### Name of the other listed companies where the person is a director and the category of directorship

Name of the Director	Name of the other listed companies	Category
Shri Vaidheesh Annaswamy	Nil	-
Dr. V. Prasada Raju	Nil	-
Shri. Pankaj Patwari	Nil	-
Ms. Shweta Jalan	Yes Bank Limited	Non-Executive Director
Shri KG Ananthkrishnan	Punjab National Bank	Independent director



Name of the Director	Name of the other listed companies	Category
Ms. Matangi Gowrishankar	1) Greenlam Industries Limited 2) Gabriel India Limited 3) Cyient Limited 4) Gujarat Pipavav Port Limited 5) IDFC First Bank Limited	Independent director
Shri. Vinod Rao	Eureka Forbes Limited	Independent director
Shri. UB Pravin Rao	Zensar Technologies Limited	Independent director

### Meetings of the Board

The Board met nine times during the Financial Year. The dates on which the meetings were held are as follows:

Sl. No.	Date of Meeting	Board Strength	No. of Directors Present
1	25 <sup>th</sup> May, 2023	6	6
2	08 <sup>th</sup> August, 2023	6	5
3	29 <sup>th</sup> September, 2023	12	12
4	09 <sup>th</sup> November, 2023	8	7
5	21 <sup>st</sup> December, 2023	8	8
6	17 <sup>th</sup> January, 2024	8	8
7	05 <sup>th</sup> February, 2024	8	8
8	29 <sup>th</sup> February 2024	8	4
9	29 <sup>th</sup> February 2024	8	4

The time gap between any two meetings did not exceed one hundred and twenty days as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the required information was suitably placed before the board meetings. The details relating to financial and commercial transactions where directors may have a potential interest, if any, were provided to the Board and interested directors abstained from the meetings.

### Disclosure of relationships between directors inter-se

None of the Directors is related to other Directors.

### No. of shares held by Non-Executive Directors

Sl. No.	Name of Director	No. of equity shares held as on 31 <sup>st</sup> March 2024
1.	Shri. Pankaj Patwari	NIL
2.	Ms. Shweta Jalan	NIL
3.	Shri KG Ananthakrishnan	118
4.	Ms. Matangi Gowrishankar	NIL
5.	Shri. Vinod Rao	NIL
6.	Shri. UB Pravin Rao	NIL

There were no convertible instruments held by non-executive directors

### Familiarization programmes imparted to the independent directors

Your Company endeavors to organize necessary familiarization programmes as and when required. The terms and conditions of appointment of the independent directors are disclosed on the website of the Company. The information on the familiarization programmes can be accessed from our Company's website at Web link: <https://suvnpharm.com/pdf/Investors/corporategovernance/policies/Familiarization%20programmes%20to%20independent%20directors%202024.pdf>

### A Chart or a Matrix setting out the skills/expertise/competence of the board of directors

Your Company's Board identified certain multi-dimensional core skills/expertise as detailed below and available with the Board:

Name and Category of the Director	Skills / Expertise / Competencies
Shri Vaidheesh Annaswamy Executive Chairman	Expertise in general management, market creation and building strong brand creation
Dr. V. Prasada Raju Managing Director	Techno commercial expertise, growth strategies and new business initiatives and product portfolio development
Shri. Pankaj Patwari Non – Executive Director	Investment and financial management expertise.
Ms. Shweta Jalan Non – Executive Director	Expertise in leading and managing investments in across various sectors.
Shri KG Ananthakrishnan Independent Director	Strategic thinker, expertise in mergers and acquisitions, establishing strategic partnerships.
Ms. Matangi Gowrishankar Independent Director	Human resources professional, mentoring senior leaders across several organizations, strategic advisor and executive coach with expertise in talent management, leadership and organization development, diversity and inclusion, and organization transformation.
Shri. Vinod Rao Independent Director	Expertise in finance, strategic thinker and expertise in diverse range of industries, deep expertise in both developing and developed markets
Shri. UB Pravin Rao Independent Director	Vast experience in software technology industry with leadership roles.

### Confirmation from the Board

The Board of Directors verified the veracity of declarations given by the Independent Directors, in the opinion of the Board, fulfill the conditions specified by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and they are independent of the management.

### Committees of the Board

During the year under review, the Board reconstituted all committees with new members of the Board effective from 29<sup>th</sup> September 2023 being the date on which the transaction was consummated. The details of new committee members were presented in each of the committee composition. The Role of Committees induced with necessary terms of references under the regulatory framework to function as per the Corporate Governance norms. K. Hanumantha Rao, Company Secretary and Compliance Officer, is the secretary of all the committees constituted by the Board..

## 3. AUDIT COMMITTEE

### Composition and terms of reference

Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Companies Act, 2013 (the Act). The present Audit Committee comprises of two Independent Directors and one Non-executive director. All of whom possess accounting and financial management knowledge.

The terms of reference to the Audit committee given by the Board shall be as per the provisions of the Companies Act, 2013 and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and brief terms of reference are as viz. i) Oversight of financial reporting process, ii) Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, iii) Evaluation of internal financial controls and risk management systems, iv) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company and effectiveness of the audit process, v) Scrutiny of inter-corporate loans and investments. The Committee reviews

the information as specified under Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015.

**The composition of the Audit Committee is as follows**

Name of Director & Designation	Category of Director	No. of Meetings	
		Held	Attended
Shri. Vinod Rao – Chairman	Independent & Non-Executive Director	7	5
Shri Pankaj Patwari – Member	Non-Executive Director	7	3
Shri. KG Ananthakrishnan – Member	Independent & Non-Executive Director	7	5
Shri D. G. Prasad – Chairman*	Independent & Non-Executive Director	7	2
Shri J. V. Ramudu – Member*	Non-Executive Director	7	2
Dr. Vajja Sambasiva Rao – Member*	Independent & Non-Executive Director	7	2

\*Upto 29<sup>th</sup> September 2023.

In addition to the members of the audit committee, the Heads of Accounts & Finance, Internal Auditors and Statutory Auditors of the Company attend these meetings and the Company Secretary acts as the Secretary of the Audit Committee. The Chairman of the Audit Committee Shri Vinod Rao attended the annual general meeting (AGM) held on 15<sup>th</sup> December, 2023.

**Meetings and attendance during the year**

During the year Audit Committee met seven times on 25<sup>th</sup> May, 2023, 08<sup>th</sup> August, 2023, 09<sup>th</sup> November, 2023, 21<sup>st</sup> December, 2023, 05<sup>th</sup> February, 2024 and two times on 29<sup>th</sup> February 2024. The attendance of the present and past committee members presented in the above table.

**4. NOMINATION AND REMUNERATION COMMITTEE**

**Composition and terms of reference**

The Nomination and Remuneration Committee (NRC) composed of Independent and Non-Executive Directors in accordance with the provisions of Regulation 19 of SEBI LODR Regulations as amended and Section 178 of the Companies Act, 2013.

The terms of reference of the NRC given by the Board covers all aspects specified under the provisions of the Companies Act, 2013 and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. Brief terms of reference are viz. criteria for determining qualifications, independence of Directors, formulation of criteria for evaluation of performance of Board of Directors and independent Directors etc.

**The composition of the Nomination and Remuneration Committee is as follows**

Name of Directors & Designation	Category of Director	No. of Meetings	
		Held	Attended
Ms. Matangi Gowrishankar – Chairperson	Independent & Non-executive Director	4	3
Shri. KG Ananthakrishnan – Member	Independent & Non-executive Director	4	3
Shri Pankaj Patwari – Member	Non-Executive Director	4	3
Shri D. G. Prasad – Chairman*	Independent & Non-executive Director	4	1
Ms. Deepanwita Chattopadhyay – Member *	Independent & Non-executive Director	4	1
Dr. Vajja Sambasiva Rao – Member*	Independent & Non-Executive Director	4	1
Shri J. V. Ramudu – Member *	Non-executive Director	4	1

\*Upto 29<sup>th</sup> September 2023



### Meetings and attendance during the year

During the year, Nomination and Remuneration Committee met four times on 29<sup>th</sup> September, 2023, 09<sup>th</sup> November, 2023, 21<sup>st</sup> December, 2023 and 24<sup>th</sup> February 2024. The attendance of the present and past committee members presented in the above table.

The chairperson of the Nomination and Remuneration Committee Ms. Matangi Gowrishankar attended the Annual General Meeting (AGM) held on 15<sup>th</sup> December, 2023.

### Performance Evaluation Criteria for Directors

The Board of Directors has carried out the annual performance evaluation of its own performance, committees and of the independent directors in accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as per the criteria formulated by Nomination and Remuneration Committee for evaluation of independent directors and board of directors, on the parameters such as Structure of the Board; Meetings of the Board; Functions of the Board; Board and Management and Board Committees etc. The Independent Directors carried out the performance evaluation of the Chairman and the Non Independent Directors. The Directors expressed their satisfaction with the evaluation process as well as the evaluation of the working of its Committees, information needs of the Board, execution and performance of specific duties, obligations and governance.

## 5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations and Section 178 of the Companies Act, 2013.

The committee consider and resolve the concerns and complaints relating to transfer/transmission of shares, non-receipt of declared dividends, non-receipt of annual reports, non-receipt of interest etc and reviews other statutory obligations.

### The Constitution of Stakeholders' Relationship Committee is as follows:

Name of the Director	Category of Director	No. of Meetings	
		Held	Attended
Shri K.G. Ananthkrishnan – Chairman	Independent & Non-executive Director	1	1
Shri. Vaidheesh Annaswamy– Member	Executive Chairman	1	1
Dr. Prasada Raju – Member	Executive Director	1	1
Shri. UB Pravin Rao – Member @	Independent & Non-executive Director	1	-
Shri J. V. Ramudu – Chairman *	Non-executive Director	1	0
Ms. Deepanwita Chattopadhyay – Member *	Independent & Non-executive Director	1	0
Dr. Jerry Jeyasingh – Member *	Non-executive Director	1	0

\* Upto 29<sup>th</sup> September 2023

@ effective from 21<sup>st</sup> December 2023

During the year Stakeholders' Relationship Committee met on 21<sup>st</sup> December, 2023. The attendance of the present and past committee members presented in the above table. The Chairman of the Stakeholders' Relationship Committee Shri K.G. Ananthkrishnan attended the annual general meeting (AGM) held on 15<sup>th</sup> December, 2023.

### Name and Address of Compliance Officer

CS K. HANUMANTHA RAO  
Company Secretary & Compliance Officer  
Suven Pharmaceuticals Limited  
Corp. Office: 202, A-Wing, Galaxy Towers, Plot No.1,  
Hyderabad Knowledge City, TSIC, Raidurg, Hyderabad,  
Telangana - 500081  
CIN: L24299MH2018PLC422236  
Tel: +91 40-2354 9414/ 3311

### Details of complaints/requests received and redressed during the year 2023-2024:

number of opening complaints	0
number of shareholders' complaints received	3
number of complaints resolved to the satisfaction of shareholders	3
number of pending/closing complaints	0

## 6. RISK MANAGEMENT COMMITTEE

### Composition and terms of reference

The Committee is constituted in line with the provisions of Regulation 21 of SEBI Listing Regulations. The Risk Management Committee (RMC) comprises of Independent, Executive Directors and senior executives.

Brief terms of reference are viz. to formulate, monitor and review risk management policy and plan, inter alia, management of business risks, financial risks, foreign exchange risks, cyber security risks, and data privacy risks. The senior management has developed internally the risk management framework to work on mitigation process on various risks identified and necessary reporting will be done to the Committee for its review and recommendations to the Board.

### The composition of the Risk Management Committee is as follows

Name of Directors & Designation	Category of Director	No. of Meetings	
		Held	Attended
Shri Vaidheesh Annaswamy - Chairman	Executive Director	2	1
Shri Vinod Rao – Member	Independent & Non-executive Director	2	1
Dr. Prasada Raju – Member	Executive Director	2	1
Shri UB Pravin Rao – Member @	Independent & Non-executive Director	2	-
Shri Venkateswarlu Jasti – Chairman*	Executive Director	2	1
Shri D. G. Prasad – Member *	Independent & Non-executive Director	2	1
Mrs. Deepanwita Chattopadhyay - Member *	Independent & Non-executive Director	2	1
Shri V. Sunder - Member *	Vice President - Corporate Affairs	2	1
Mr. P. Subba Rao – Member *	Chief Financial Officer	2	1

\*Upto 29<sup>th</sup> September 2023

@ effective from 21<sup>st</sup> December 2023

### Meetings and attendance during the year

During the year, Risk Management Committee met two times on 11<sup>th</sup> July, 2023 and 21<sup>st</sup> December, 2023. The attendance of the present and past committee members presented in the above table.

### 6A. SENIOR MANAGEMENT:

Particulars of senior management including the changes therein since the close of the previous financial year are as under.

Sl. No.	Particulars of senior management	Designation
1	Dr Sudhir Kumar Singh	Chief Executive Officer*
2	Mr Himanshu Agarwal	Chief Financial Officer**
3	Mr Brian Shaughnessy	Chief Commercial Officer*
4	Mr Gaurav Narain Bahadur	Chief Human Resources Officer*
5	Mr Subba Raju Komaravolu	Chief Strategy Officer*
6	Mr K Hanumantha Rao	Company Secretary
7	Mr P Subba Rao	Ceased to be CFO w.e.f. 2 <sup>nd</sup> January 2024.
8	Mr Sunder Venkatraman	Ceased to be Vice-President (Corporate Affairs) w.e.f. 30 <sup>th</sup> November 2023
9	Ms. Kalyani Jasti	Ceased to be President (US Operations) w.e.f. 29 <sup>th</sup> September 2023

\* w.e.f. from 29<sup>th</sup> September 2023

\*\* w.e.f. from 02<sup>nd</sup> January, 2024

### 7. REMUNERATION OF DIRECTORS

#### Remuneration Policy for selection and appointment of directors/ senior management and their remuneration

The Nomination and Remuneration (N&R) Committee has adopted a policy which, inter alia, deals with the manner of selection of all Directors and Senior management personnel and their remuneration as under: Policy enables the management to engage HR consultants whenever external advice needed in this behalf.

Criteria of selection of all categories of Directors and Senior Management Personnel

- The incumbent must be a graduate or above with ability to understand the Board procedures and having rudimentary knowledge over financial statements.
- Must possess reasonable experience at the Board/senior management level.
- Must have ethical behavior and willingness to comply with all applicable statutory requirements like declaring their interests in the companies/ entities, following the requirements of Board procedures, attending Board/ Committee meetings and active participation in all matters placed before the Board.
- Must be able to exercise independent judgment over the matters reported to the Board.
- Where necessary, recommend to the Board for an increase in the remuneration of non-executive directors' subject to provisions of Companies Act, 2013.
- The Committee may review and give a guidance note on all salary increases and bonus payments for all direct reports to the MD in line with the industry standards. The Committee may review and give a general guidance note on the quantum of salary increases and bonus payments for all other staff in line with the industry standards.
- For criteria of making payments to non-executive directors please refer to web link at: <https://suvenpharm.com/pdf/Investors/corporategovernance/Committees of Board And Criteria of Making Payment to NEDs.pdf>



**Details of Remuneration paid to the Executive Directors and Non-Executive Directors during FY 2023-2024 is as under:**

**Executive Directors**

(₹ In Lakhs)

Name of the Director	Shri. Vaidheesh Annaswamy Chairman (w.e.f 29 <sup>th</sup> September 2023)	Dr. V. Prasada Raju Managing Director (w.e.f 29 <sup>th</sup> September 2023)	Shri. Venkateswarlu Jasti Managing Director (till 29 <sup>th</sup> September 2023)
Salary & Allowances	256.17	-	273.76
Commission	-	-	258.26
Contribution to Provident Fund	16.50	-	32.85
Perquisites	-	-	118.63
<b>Total</b>	<b>272.67</b>	<b>-</b>	<b>683.50</b>

For details of other elements of remuneration please refer to Annual Return available on the Company's website on [www.suvenpharm.com](http://www.suvenpharm.com). The service of Managing Director is governed by the resolution as approved by the shareholders in the general meeting for a period of 5 (five) years from 29<sup>th</sup> September, 2023. There is no separate provision for payment of severance fees and notice period for termination of services.

**Non-Executive Directors**

Name of the Director	Remuneration (₹ in lakhs) #
Shri Vinod Rao – Member	13.64
Ms. Matangi Gowrishankar	13.64
Shri K.G. Ananthakrishnan	13.64
Shri UB Pravin Rao - Member	10.67

**The previous Non-executive Directors were paid Sitting fee.**

Name of the Director	Sitting fee (₹ in lakhs) #
Shri D. G. Prasad	2.60
Smt. Deepanwita Chattopadhyay	2.40
Shri J. V. Ramudu	2.60
Dr. Vajja Sambasiva Rao	2.60

# Net of taxes

Except the above remuneration paid to the Directors, there were no other pecuniary relationships or transactions of Non-Executive Directors with the Company. The Company has not granted any stock options to its Non-Executive Directors.

**8. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

The Committee is constituted in line with the provisions of Section 135 of the Act. The terms of reference of the Corporate Social Responsibility Committee (CSR) broadly comprises:

To review the existing CSR Policy and to monitor progress of CSR programs undertaken on priority basis by the Suven Trust as notified by CSR Committee of the Board from time to time.

### The composition of the Corporate Social Responsibility Committee:

Name of the Director	Category of Director	No. of Meetings	
		Held	Attended
Shri. Vaidheesh Annaswamy – Chairman	Executive Chairman	2	1
Ms. Matangi Gowrishankar – Member	Independent & Non-executive Director	2	1
Shri K.G. Ananthkrishnan – Member	Independent & Non-executive Director	2	1
Shri J. V. Ramudu – Chairman *	Non-executive Director	2	1
Smt. Deepanwita Chattopadhyay – Member *	Independent & Non-executive Director	2	1
Shri Venkateswarlu Jasti – Member *	Executive Director	2	1
Dr. Vajja Sambasiva Rao – Member *	Independent & Non-Executive Director	2	1

\*Upto 29<sup>th</sup> September 2023

### Meetings and attendance during the year

During the year, Corporate Social Responsibility Committee met two times on 25<sup>th</sup> May, 2023 and 05<sup>th</sup> February, 2024. The attendance of the present and past committee members presented in the above table.

## 9. MEETING OF INDEPENDENT DIRECTORS

The Independent Directors met on 05<sup>th</sup> February, 2024, carried out inter alia, the following process:

Evaluation of performance of Non Independent Directors and the Board of Directors as a whole; evaluation of performance of the Chairman of the Company, and evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties assessed in the meeting. All the independent directors expressed that since the change in Board took place on 29<sup>th</sup> September 2023 as such entire board is relatively new with very limited interactions it will not be appropriate to provide any critical assessment of the Board. All independent directors expressed satisfaction on board diversity and on immersion program for independent directors wherein the discussions took place in at transparent manner and it was organized very well. All the Independent Directors were present at the Meeting.

The Committee of Independent Directors meeting held on 16<sup>th</sup> October 2023 to determine as to whether the open offer price is reasonable. All the Independent Directors attended the meeting. Again, the Committee of Independent Directors meeting held on 29<sup>th</sup> February 2024 to recommend to the Board of Directors about the fairness of the scheme of amalgamation of Cohance LifeSciences Limited with Suven Pharmaceuticals Limited. All the Independent Directors except Mr Pravin Rao attended the meeting.

## 10. GENERAL BODY MEETINGS

### Annual General Meeting: Location, date and time of last three Annual General Meetings (AGMs) and Special Resolutions passed there at:

Year	Venue	Date and Time	No. of Special Resolutions passed
2022-23	Meeting conducted through VC / OAVM pursuant to the MCA Circular	15/12/2023 03.00 PM	4
2021-22	Meeting conducted through VC / OAVM pursuant to the MCA Circular	18/08/2022 11:30 AM	0
2020-21	Meeting conducted through VC / OAVM pursuant to the MCA Circular	31/08/2021 11:30 AM	1

### Postal Ballot:

During the year, the Company passed two special resolutions through postal ballot through e-voting.

Date of the Postal Ballot Notice	Particulars of Resolution	Approval Date	Scrutinizer	Voting Results
November 9, 2023	Approval for Shifting of Registered Office of the Company from Hyderabad State of Telangana to Mumbai in the State of Maharashtra and consequent amendment to Memorandum of Association of the Company – Special Resolution	December 13, 2023	ARS & Associates Company Secretaries LLP (CS. K.V.S. Subramanyam, M.No: F5400, CP.No:4815)	Voting in favour: 99.99% Voting against: 0.01%
December 21, 2023	Approval of 'Suven Pharmaceuticals Limited Employee Stock Option Plan 2023' – Special Resolution	February 13, 2024	D Renuka Company Secretary in Practice (M. No. 11963, CP No. 3460)	Voting in favour: 81.09% Voting against: 18.91%
	Approval of "Suven Pharmaceuticals Limited Employee Stock Option Plan 2023" (the "Plan" or "ESOP 2023") to the employees of Associate Company(ies) and its Subsidiary Company (ies) [present and future] – Special Resolution			Voting in favour: 80.56% Voting against: 19.44%

The voting results are made available on our website at <https://suvenpharm.com/share-holdersinfo/>

### Details of special resolution proposed to be conducted through postal ballot:

No special resolution is currently proposed to be conducted through postal ballot.

### Procedure for postal ballot

The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and applicable circulars issued by the Ministry of Corporate Affairs from time to time.

## 11. MEANS OF COMMUNICATION

### Financial Results, Press Releases, Presentations and Publications:

Annual Reports, notice of the meetings and other communications to the Members are sent through e-mail, post or courier. However, as per the directions given in the circulars issued by Ministry Corporate Affairs ("MCA") and the Securities and Exchange Board of India ("SEBI") companies are allowed to send Annual Report by e-mail to all the Members of the company this year also. Therefore, the Annual Report for FY 2023-24 and Notice of 6<sup>th</sup> AGM of the Company is being sent to the Members at their registered e-mail addresses in accordance with MCA and SEBI Circulars. However, the company shall arrange hard copy of Annual Report to those shareholders who request for the same.

The quarterly results/ half yearly/Annual Audited Financial Results are generally published in widely circulated national newspapers the Business Standard and in one vernacular Language newspaper Andhra Prabha (Telugu Daily). The Financial Results, official news releases, presentations made to the institutional investors/ analysts are also displayed on the Company's website [www.suvenpharm.com](http://www.suvenpharm.com).

The financial results, press releases and other reports/ intimations required under the SEBI (LODR) Regulations are filed electronically with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) and also uploaded on the Company's website [www.suvenpharm.com](http://www.suvenpharm.com) which may be accessed by the shareholders.

Management Discussion and Analysis detailed report is forming part of this Annual Report.



## 12. GENERAL SHAREHOLDERS INFORMATION

### (i) Annual General Meeting:

Financial Year : 2023 – 2024

Day and Date : Friday, August 09, 2024

Time : 04:30 P.M

Venue : The Company is conducting meeting through VC/ OAVM pursuant to the MCA General Circular No. 09/2023 dated September 25, 2023 read with General Circular No. 10/2022 dated December 28, 2022, General Circular No. 02/2022 dated May 5, 2022 and circulars dated May 5, 2020, April 8, 2020, April 13, 2020 and January 13, 2021, hence registered office address of the company shall be deemed to be the venue for the AGM. For details, please refer to the Notice of this AGM.

### (ii) Financial Calendar (tentative)

Financial Year April 1, 2024 to March 31, 2025	
Quarter Ending	Release of Results
June 30, 2024	latest by August 14, 2024
September 30, 2024	latest by November 14, 2024
December 31, 2024	latest by February 14, 2025
March 31, 2025	May 15, 2025*

\*instead of publishing quarterly un-audited results, the Company may opt to publish Audited Annual Results within 60 days from the end of the financial year as per SEBI Listing Regulations.

(iii) **Book Closure period:** from August 07, 2024 to August 09, 2024, both days inclusive

### (iv) Dividend payment date

The Board of Directors did not recommend any dividend for FY 2023-24.

#### Unclaimed Dividend

Pursuant to the provisions of Section 124 of the Companies Act, 2013, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account, is required to be transferred by Company to the Investor Education and Protection Fund (IEPF), established by the Central Government under the provisions of Section 125 of the Companies Act, 2013.

Shareholders of the Company who have either not received or have not en-cashed their dividend warrants, for the financial years 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23 are requested to claim the unpaid/ unclaimed dividend from the Company before transfer to the fund and further requested to submit the bank account details and email ID for recording in the RTA /Depository Participants systems for rendering better services to the shareholders.

**(v) Listing on Stock Exchanges**

The shares of the Company are listed on

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BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001

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National Stock Exchange of India Limited

Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051

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The Company confirms that it has paid annual listing fees due to the stock exchanges for the financial year 2023-2024.

**(vi) Stock Code**

Stock Exchanges	Scrip Code
BSE Limited	543064
National Stock Exchange of India Limited	SUVENPHAR

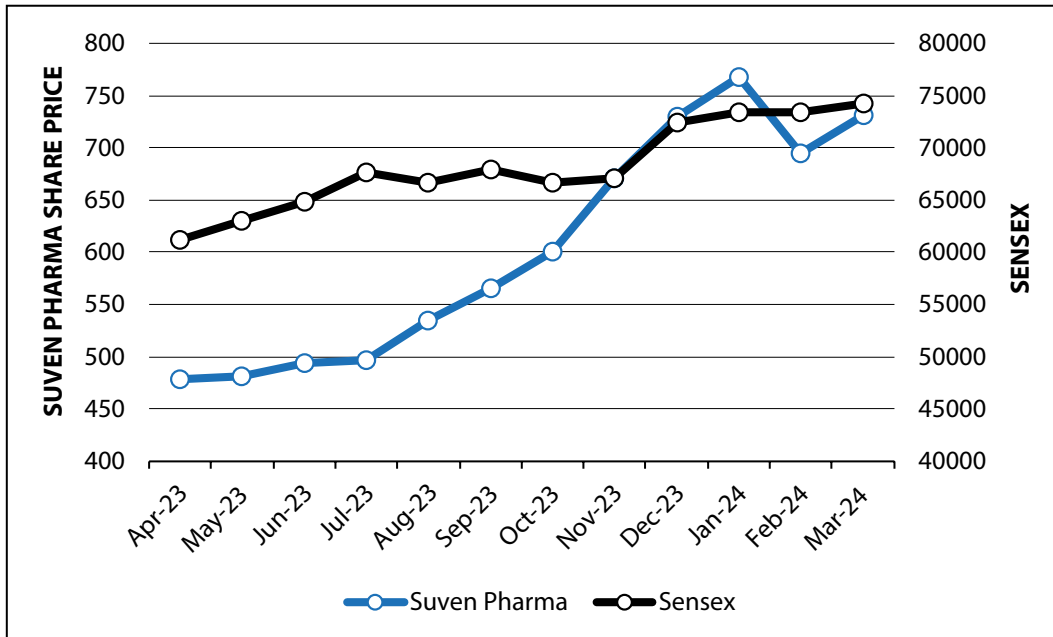
**Depository for Equity Shares : NSDL and CDSL**

**Demat ISIN Number : INE03QK01018**

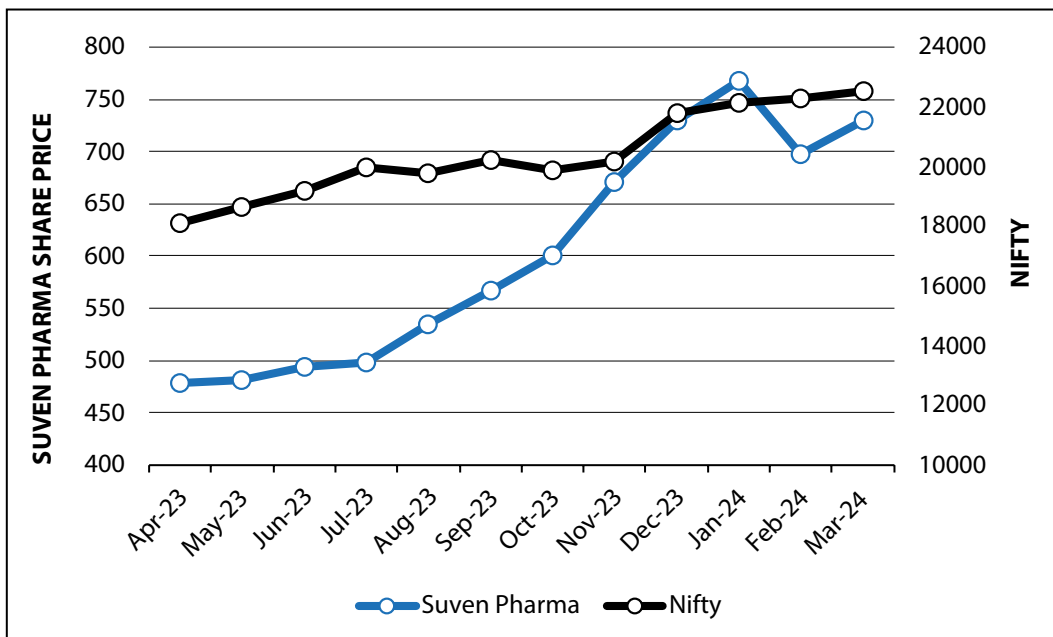
**(vii) Stock Market Price Data BSE and NSE**

Month		BSE Limited (BSE)			National Stock Exchange (NSE)			
		High ₹	Low ₹	Volume (No.)	High ₹	Low ₹	Volume (No.)	
2023	April	477.95	375.00	96,288	477.50	463.30	85,10,265	
	May	480.95	465.05	1,18,165	481.20	468.60	43,99,121	
	June	493.85	427.05	1,71,459	493.55	469.45	53,52,516	
	July	497.10	477.60	3,40,556	497.75	477.65	56,19,167	
	August	534.55	471.00	15,30,009	534.55	486.05	1,59,57,030	
	September	565.35	505.00	14,08,199	567.00	505.20	1,74,71,698	
	October	600.00	543.25	1,98,117	600.00	541.00	59,84,965	
	November	671.15	542.35	2,60,353	671.45	542.10	70,09,079	
	December	729.65	655.80	2,05,252	730.00	655.30	55,98,351	
	2024	January	767.00	651.15	6,78,593	768.00	651.10	40,45,198
		February	693.70	586.10	2,07,078	698.80	585.20	79,05,390
		March	730.95	599.55	20,20,735	730.00	599.05	1,95,12,190

**Stock Price Performance in comparison with BSE SENSEX**



**Stock Price Performance in comparison with NSE NIFTY**



**(viii) In case the securities are suspended from trading, the directors report shall explain the reason thereof**

During the year under review there was no suspension of trading in the securities of the company.



**(ix) Registrar to an issue and Share Transfer Agents (RTA)**

**KFin Technologies Limited**

(formerly known as KFin Technologies Private Limited)

Unit: Suven Pharmaceuticals Limited

Selenium Building, Tower-B,

Plot No 31 & 32, Financial District,

Nanakramguda, Serilingampally,

Hyderabad, Rangareddy, Telangana, India - 500 032

Ph: 91-40-6716 1565/1559, Fax No 91-40 2300 1153

Email: [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com)

Toll free number: 1800 309 4001

WhatsApp Number: (91) 910 009 4099

**(x) Share Transfer System**

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred 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.

The Board of Directors authorized the Company Secretary of the Company to monitor the Memorandum of Share Transfers (MOT) as and when reported by RTA (KFin Technologies Limited) and to approve the transmission or transposition of shares, if any. Company Secretary submits a comprehensive report to the Board every quarter covering various activities relating to investor services including share transfer/ transmission, etc. if any. **Members holding shares in physical form are requested to convert their holdings to dematerialized form and update their bank accounts and email IDs with the respective depository participants to enable us to provide better service.**

The Company has obtained and filed with the Stock Exchange(s), the yearly certificates from Company secretary in practice for due Compliance with the share transfer formalities as required under regulation 40(9) & (10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(xi) Distribution of Shareholding Pattern as on 31<sup>st</sup> March 2024**

Category (Amount)	Shareholders		Share Amount	
	Number	% to total	Amount	% to total
1-5000	68038	98.70	18209797.00	7.15
5001- 10000	440	0.64	3206368.00	1.26
10001- 20000	194	0.28	2836360.00	1.11
20001- 30000	69	0.10	1703552.00	0.67
30001- 40000	52	0.08	1868635.00	0.73
40001- 50000	29	0.04	1315762.00	0.52
50001- 100000	36	0.05	2654709.00	1.04
100001& Above	74	0.11	222769773.00	87.51
<b>TOTAL</b>	<b>68932</b>	<b>100.00</b>	<b>254564956.00</b>	<b>100.00</b>

**(xii) Categories of shareholders as on 31<sup>st</sup> March 2024**

Sl. No	Category	Cases	Holding	%To Equity
1	Promoters	1	127539592	50.10
2	Resident Individuals	64809	26761192	10.51
3	Foreign Portfolio	127	24389467	9.58
4	Mutual Funds	23	38854696	15.26
5	Non Resident Indians	2224	2357703	0.93
6	Qualified Institutional Buyer	7	4005834	1.57
7	Corporate Bodies	570	28282016	11.11
8	Others	1171	2374456	0.93
	<b>TOTAL</b>	<b>68932</b>	<b>254564956</b>	<b>100.00</b>

**(xiii) Dematerialization of shares and liquidity**

As on 31<sup>st</sup> March, 2024, 99.85% of the paid up equity capital of the Company has been dematerialized and the trading of Equity shares in the Stock Exchanges is under compulsory dematerialization.

Shares held in demat and physical mode (folio-based) as on March 31, 2024 are as follows

Category	No. of Holders*	No. of Shares	% to Equity
Demat Holdings	70283	25,41,68,861	99.85%
Physical Holdings	128	3,96,095	0.15%
<b>TOTAL</b>	<b>70,411</b>	<b>25,45,64,956</b>	<b>100.00%</b>

\*The total number of holders will not tally with the number of shareholders, since shareholders can have multiple demat accounts with the same PAN. The number of shareholders based on PAN as on March 31, 2024 is 68,932.

We request shareholders whose shares are in the physical mode to dematerialize their shares and update their bank accounts and email IDs with the respective depository participants to enable us to provide better service and to eliminate bad deliveries, forgery, fake transfers etc., in the market.

**(xiv) Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity**

The Company has not issued any GDRs/ ADRs/ Warrants or any Convertible instruments in the past and hence as on March 31, 2024, the Company does not have any outstanding GDRs/ ADRs/ Warrants or any convertible instruments.

**(xv) Commodity price risk or foreign exchange risk and hedging activities**

Our Company is following the natural hedging only as our receipts are more than the payments as such there are no foreign exchange risks. However the company has taken steps for entering into derivative contracts for mitigating the forex risks as per forex hedging policy during the FY 2024.

**(xvi) Plant Locations****Unit – 1**

Dasaigudem Village, Suryapet Mandal, Suryapet Dist. Telangana – 508213

**Unit – 3**

Plot No(s). 262 - 264 & 269 - 271, IDA, Pashamylaram, Sanga Reddy Dist. Telangana – 502307

**Formulation Development Centre**

Plot No(s). 265 to 268, IDA Pashamylaram Sanga Reddy Dist., Telangana – 502307

**Unit – 2**

Plot No. 18, Phase III, IDA, Jeedimetla, Hyderabad Telangana –500055

**Unit – 4**

Plot No(s). 65, 66 and 67, JN Pharmacy Parwada, Visakhapatnam, Andhra Pradesh – 531019

**Research and Development Centre**

Synergy Square I, Genome Vally, Shamirpet, Hyderabad, Telangana - 500078

**(xvii) Address for Correspondence**

Corp. Office: 202, A-Wing, Galaxy Towers, Plot No.1,  
Hyderabad Knowledge City, TSIC, Raidurg, Hyderabad,  
Telangana - 500081  
CIN: L24299MH2018PLC422236  
Tel: +91 40-2354 9414 / 2354 1142  
E-mail : [info@suvenpharm.com](mailto:info@suvenpharm.com) / [investorservices@suvenpharm.com](mailto:investorservices@suvenpharm.com)  
Website : [www.suvenpharm.com](http://www.suvenpharm.com)

**(xviii) Credit Ratings**

Your Company has engaged the services of CRISIL Rating agency for rating of borrowings availed from the Banks for the purpose of meeting business requirements of the Company. The present rating assigned to long term borrowings is "A+" and short term borrowings is "A1+" as of 11<sup>th</sup> March, 2024.

**(xix) Reconciliation of Share Capital Audit Report**

A qualified practicing Company Secretary carried out a quarterly share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/ paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

**13. OTHER DISCLOSURES**

**(i) Related party transactions**

All related party transactions with related parties during the financial year were entered into in accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. No materially significant transactions with related parties were entered during the financial year, which were in conflict with the interest of the Company. None of the Non-Executive Directors has any pecuniary material relationship or material transactions with the Company for the year ended March 31, 2024. The Board has approved a policy for related party transactions which has been uploaded on the Company's website at Web link [https://www.suvenpharm.com/images/pdf/policies/Policy\\_on\\_Related\\_Party\\_Transactions\\_2022.pdf](https://www.suvenpharm.com/images/pdf/policies/Policy_on_Related_Party_Transactions_2022.pdf)

**(ii) Legal Compliance**

There were no instances of non-compliance by the company and strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years except the penalty of ₹2,12,400/- imposed by each of the stock exchanges i.e., BSE Limited and National Stock Exchange of India Limited on 20<sup>th</sup> May, 2022 for Non-Compliance with the provisions of Regulation 19(1)/19(2) of SEBI (LODR) Regulations, 2015 for the quarter ended March 2022. The Company has paid the penalties to BSE on 23<sup>rd</sup> May, 2022 and NSE on 21<sup>st</sup> May, 2022.

**(iii) Whistle Blower Policy**

The Company has a Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. Pursuant thereto, anyone can approach directly Chairman of the Audit Committee or through Company Secretary to report any suspected or confirmed incident of fraud/ misconduct it is affirmed that no personnel has been denied access to the audit committee and can be accessed at Web link <https://www.suvenpharm.com/images/pdf/policies/whistle-blower-policy.pdf>



**(iv) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements**

**Mandatory requirements**

The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is being reviewed from time to time.

**Non-mandatory requirements**

**1. The Board:**

Office for non-executive Chairman at Company's expense: Not applicable as the company has executive chairperson.

**2. Shareholder Rights:**

Half-yearly declaration of financial performance to each household of shareholders: Not Complied

**3. Modified opinion(s) in audit report:**

Complied as there is no modified opinion in Audit Report

**4. Separate posts of Chairperson and the Managing Director or the Chief Executive Officer: Complied**

**5. Reporting of Internal Auditor:**

The Internal auditors report directly to Audit Committee: Complied

**(v) web link policy for determining 'material' subsidiaries**

The Board has approved a policy for determining 'material' subsidiaries which has been uploaded on the Company's website and it can be accessed at Web link:

[https://www.suvenpharm.com/images/pdf/policies/POLICY\\_FOR\\_DETERMINING\\_MATERIAL\\_SUBSIDIARIES\\_SPL\\_.pdf](https://www.suvenpharm.com/images/pdf/policies/POLICY_FOR_DETERMINING_MATERIAL_SUBSIDIARIES_SPL_.pdf)

**(vi) disclosure of commodity price risks and commodity hedging activities:**

The Company did not undertake any commodity hedging activities during the year hence there were no commodity price risks involved.

**(vii) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)**

The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) during the financial year 2023-24.

**(viii) Certificate from a company secretary in practice**

Mrs. D. Renuka, Practicing Company Secretary, has issued a certificate as required under the Listing Regulations, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed with this section as **Annexure – A**

**(ix) Instances of not accepted any recommendation of any committee of the Board**

There is no such instance where Board had not accepted any recommendation of any committee of the Board, which is mandatorily required, in the relevant financial year.

**(x) Details of the fees paid to Statutory Auditors**

The details of the total fees for all services paid by the company, on a consolidated basis, to the statutory auditor for the financial year 2023-24.

Particulars	Amount (in lakhs)
Audit Fees	25.00
Tax audit fees	6.50
Other permissible services	12.85
<b>Total</b>	<b>44.35</b>

**(xi) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

a. number of complaints filed during the financial year	Nil
b. number of complaints disposed of during the financial year	N.A.
c. number of complaints pending as on end of the financial year.	N.A.

**(xii) Disclosure by listed entity and its subsidiaries of Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount:**

During the year under review, the Company and its subsidiaries did not give any Loans and advances in the nature of loans to firms/companies in which directors are interested.

**(xiii) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:**

During the year under review, there is no any material subsidiary of the listed entity.

**14. Non-compliance of any requirement of corporate governance report**

Our company has complied with all requirements of corporate governance report for the year 2023-2024.

**15. The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 shall be made in the section on corporate governance of the annual report**

Our Company has complied with all the provisions of the above said Regulations of SEBI for the year 2023-2024.

**16. Disclosures with respect to demat suspense account/unclaimed suspense account**

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, details of equity shares in the suspense account are as follows:

Particulars	Number of Shareholders	Number of Equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year 1 <sup>st</sup> April 2023	Nil	Nil
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	Nil	Nil
Number of shareholders to whom shares were transferred from suspense account during the year	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year 31 <sup>st</sup> March 2024.	Nil	Nil

## 17. Certificate of compliance on corporate governance

The certificate of compliance on corporate governance is provided as **Annexure B** to this corporate governance report.

## 18. Disclosure of certain types of agreements binding listed entities

There are no agreements entered into by the shareholders or promoters or promoter group entities or related parties or directors or key managerial personnel or employees of the Company or its subsidiaries which either directly or indirectly or has a potential to impact the management or control of the Company by imposing any restrictions or creating any liability upon the Company as specified in Clause 5 A of Paragraph A of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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## DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

To  
The Members of  
**Suven Pharmaceuticals Limited**

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that the Company has adopted a Code of Conduct for all Board Members and Senior Management and the same has been placed on the Company's website. All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct in respect of the financial year ended 31<sup>st</sup> March, 2024.

For **Suven Pharmaceuticals Limited**

**Vaidheesh Annaswamy**  
Chairman  
DIN: 01444303

Place: Hyderabad  
Date: July 12, 2024



## Annexure A

### 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) Regulations, 2015)

To,  
The Members of **Suven Pharmaceuticals Limited**  
Registered office: 215 Atrium, C Wing, 8<sup>th</sup> Floor, 819-821,  
Andheri Kurla Road, Chakala, Andheri East, Chakala MIDC,  
Mumbai, Maharashtra, India, 400093

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Suven Pharmaceuticals Limited having CIN: L24299MH2018PLC422236 and having Registered office: 215 Atrium, C Wing, 8<sup>th</sup> Floor, 819-821, Andheri Kurla Road, Chakala, Andheri East, Chakala MIDC, Mumbai, Maharashtra, India, 400093 (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) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of Director	DIN	Date of Appointment in Company
1	Shri. Vaidheesh Annaswamy	01444303	29/09/2023
2	Dr. V. Prasada Raju	07267366	29/09/2023
3	Shri. Pankaj Patwari	08206620	29/09/2023
4	Ms. Shweta Jalan	00291675	09/11/2023
5	Shri. KG Ananthkrishnan	00019325	29/09/2023
6	Ms. Matangi Gowrishankar	01518137	29/09/2023
7	Shri. Vinod Rao	01788921	29/09/2023
8	Shri. UB Pravin Rao	06782450	09/11/2023

Ensuring the eligibility of 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.

**D. RENUKA**

*Company Secretary in Practice*

Membership No.: A11963

CP No.: 3460

ICSI Peer Review UIN: L2000TL172900

UDIN: A011963F000708142

Place: Hyderabad  
Date : July 12, 2024

## Annexure B

### CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of  
**SUVEN PHARMACEUTICALS LIMITED**

I, **D. Renuka**, Practicing Company Secretary, have examined the compliance of conditions of Corporate Governance by Suven Pharmaceuticals Limited ('the Company'), for the year ended on March 31, 2024, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. My responsibility is limited to examining the procedures and implementation thereof, as adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of applicable Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2024.

I further state that such compliance 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.

**D. RENUKA**

*Company Secretary in Practice*

Membership No.: A11963

CP No.: 3460

ICSI Peer Review UIN: L2000TL172900

UDIN: A011963F000708274

Place: Hyderabad

Date: July 12, 2024

# INDEPENDENT AUDITOR'S REPORT

## To the Members of

### Suven Pharmaceuticals Limited

## Report on the Standalone Ind AS Financial Statements

### Opinion

We have audited the accompanying Standalone Ind AS financial statements of **Suven Pharmaceuticals Limited** ('the Company') which comprise the Balance Sheet as at 31<sup>st</sup> March, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the Standalone Ind AS financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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 Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2024, its loss including other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are Independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS 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 Ind AS financial statements for the financial year ended 31<sup>st</sup> March, 2024. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



Sl. No	Key Audit Matters	Auditor's Response
1.	<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of IND AS 115 "Revenue from Contracts with Customers"</p> <p>The application of the revenue accounting standard involves certain key judgements relating to identification of the contract with a customer, identification of distinct performance obligations, determination of transaction price of the identified performance obligations, and the appropriateness of the basis used to measure revenue recognized when a performance obligation is satisfied. Additionally, the revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>For sale transactions in a certain period of time around the Balance Sheet date, it is essential to ensure that the control of goods have transferred to the customers. As revenue recognition is subject to management's judgment on whether the control of the goods have been transferred.</p>	<p>Our audit approach consisted, testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <p>Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.</p> <p>Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.</p> <p>Selected a sample of continuing and new contracts and performed the following procedures:</p> <ul style="list-style-type: none"> <li>- Read, analyzed and identified the distinct performance obligations in these contracts.</li> <li>- Compared these performance obligations with that identified and recorded by the Company.</li> <li>- Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</li> <li>- Tested Samples in respect of revenue recorded upon transfer of control/rights of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services, were tested using a combination of Master Service Agreements and Sales invoices including customer acceptances, subsequent commercial invoicing and historical trend of collections and disputes.</li> </ul> <p>Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.</p> <p>We reviewed the collation of information and the logic of the report generated from the IT system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p>

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## 2. **Investment in Subsidiaries:**

The carrying value of investment in the subsidiaries as at 31<sup>st</sup> March, 2024 is ₹31,713.96 Lakhs.

This investment is reviewed at the end of each reporting period to determine whether there is any Indication of impairment. If such evidence exists, impairment loss is determined and recognised in accordance with accounting policies to the Standalone Ind AS financial statements.

We have identified the assessment of impairment Indicators and resultant provision, if any, in respect of investment in subsidiaries as a key audit matter because of:

The significance of the amount of this investment in the Standalone Balance Sheet.

Performance and net worth of these entities and

The degree of management judgement involved in determining the recoverable amount of these investments including:

- Valuation assumptions, such as discount rates.
- Business assumptions used by management, such as sales growth and costs and the resultant cash flows projected to be generated from these investments.

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## 3. **Inventory Valuation and existence:**

As at 31<sup>st</sup> March, 2024, the Company held inventories of ₹22,006.98 Lakhs as disclosed in Note 8 to the Standalone Ind AS financial statements. Inventories mainly consist of raw and packing material, work-in-progress, stock-in-trade, finished goods and stores, spares and consumables.

As described in Note 2.J to the financial statements, inventories are carried at the lower of cost and net realizable value.

Our audit procedures in respect of impairment of investment in subsidiaries included the following:

- Testing design, implementation and operating effectiveness of key controls over the impairment review process including the review and approval of forecasts and review of valuation models;
- Assessing the valuation methodology used by management and management review control is around making the assessment and testing the mathematical accuracy of the impairment models;
- Evaluating the reasonableness of the valuation assumptions, such as discount rates, used by management through reference to external market data;
- Challenging the appropriateness of the business assumptions used by management, such as sales growth, cost and the probability of success of new products;
- Evaluating past performances where relevant and assessed historical accuracy of the forecast produced by management;
- Enquiring and challenging management on the commercial strategy associated with the products to ensure that it was consistent with the assumptions used in estimating future cash flows;
- Considering whether events or transactions that occurred after the balance sheet date but before the reporting date affect the conclusions reached and the associated disclosures; and
- Performing sensitivity analysis of key assumptions, including future revenue growth rates, costs and the discount rates applied in the valuation models.

To address the risk for material error on inventories, our audit procedures included amongst other

- Assessing the compliance of Company's accounting policies over inventory with applicable accounting standards.
- Reviewed the management's process for ensuring that there was no movement of stock during the physical verification of inventory;
- Recounted a sample of inventory items at each location to confirm management count;
- Analyzing the Inventory Ageing reports and Net realizable value of inventories

Based on the audit procedures performed, the management's assertion on existence of inventories was determined to be appropriate in the context of the Standalone Ind AS financial statements taken as a whole.

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## Information Other than the Standalone Ind AS Financial Statements and Auditor's Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the Standalone Ind AS financial statements and auditor's report(s) thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

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

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

## Responsibilities of Management and Those Charged with Governance for Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) specified under section 133 of the Act 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 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 Ind AS 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 Ind AS financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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 responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibility for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether these Standalone Ind AS 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 Ind AS 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 Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

### Other Matters

We did not audit the financial statements of Seven USA branch included in the Standalone Ind AS financial statements of the Company whose financial statements reflect total assets of ₹167.64 Lakhs as at 31<sup>st</sup> March, 2024 and total revenue- NIL and Net loss of ₹ (1,318.97) Lakhs for the year ended on that date. The financial statements of this branch have been audited by the branch auditor, whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditor.

Our opinion on the Standalone Ind AS financial statements, and our Report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements certified by the Management.

### Report on Other Legal and Regulatory Requirements

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-A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph 143(3)(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.



- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure-B**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 143(3)(b) above on reporting under Section 143(3)(b) of the Act and paragraph 143(3)(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:
 

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- i) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements- Refer Note 33 to the 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 has been no delay in transferring amounts, 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, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or Indirectly lend or invest in other person or entity 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, no funds have been received by the Company from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or Indirectly, lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the Funding Parties (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - c) Based on the audit procedures that were 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.
- vi. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1<sup>st</sup> April, 2023.

Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software:

- i. The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of account.

- ii. The feature of recording audit trail (edit log) facility was not enabled at the application layer of the accounting software used for maintaining the books of account for the period 1<sup>st</sup> April, 2023 to 12<sup>th</sup> November, 2023.

Further, for the periods where audit trail (edit log) facility was enabled and operated for the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

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

Place: Hyderabad  
Date: 30<sup>th</sup> May, 2024

For **KARVY & CO**  
Chartered Accountants  
ICAI Firm Regn. No.001757S

**AJAYKUMAR KOSARAJU**  
Partner  
Membership No.021989  
UDIN: 24021989BKFZTL6373

## Annexure - A to the Independent Auditors' Report on the Standalone Ind AS financial statements of Suven Pharmaceuticals Limited for the year ended 31<sup>st</sup> March, 2024

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

- i. In respect of the Company's Property, Plant and Equipment (including right-of-use assets) and intangible assets:
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) As explained to us, the management has physically verified a substantial portion of the Property, Plant and Equipment and right-of-use assets during the year and in our opinion frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on physical verification of Property, Plant and Equipment and right-of-use assets as compared to the books of account were not material and have been properly dealt with in the books of accounts.
- (c) In our opinion and according to the information and explanations given to us, all the title deeds of immovable properties are held in the name of the Company except Title deeds for the freehold land and buildings that are in the name of Suven Life Sciences Limited (The Demerged Company), Suven Nishtaa Pharma Private Limited and Suven Synthesis Limited. The same have been acquired by the Company pursuant to the Scheme of Demerger and the same is pending as at 31<sup>st</sup> March, 2024 for mutation in the name of the Company.

Description of item of property	Gross Carrying value	Title deed held in name of	Whether title deed holder is a promoter, director or relative/ Employee of promoter/director	Property held since which date	Reason for not been held in the name of the Company
Land Free hold	600.3	Suven Life Sciences Limited	No	6 <sup>th</sup> January, 2020	Mutation Pending
Land Free hold	143.8	Suven Nishtaa Pharma Private Limited	No	6 <sup>th</sup> January, 2020	Mutation Pending
Land Free hold	17.58	Suven Synthesis Limited	No	6 <sup>th</sup> January, 2020	Mutation Pending

- (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company as at 31<sup>st</sup> March, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder.
- ii. (a) According to the information and explanations given to us, the inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable and the coverage and procedure of such verification by the management is appropriate. The discrepancies noticed on physical verification of inventory compared to the books of account were not material and have been properly dealt with in the books of accounts.
- (b) The Company has been sanctioned working capital limits in excess of ₹500.00 lacs from banks on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.
- iii. The Company has made investments in its wholly owned subsidiary companies which in our opinion is, prima facie, not prejudicial to the Company's interest.

The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) to (f) of the Order is not applicable.

- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the investments made.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 and 76 or any other relevant provisions of the Act and the rules framed there under. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. We have broadly reviewed the books of account and records maintained by the Company pursuant to the Rules made by the Central Government of India for the maintenance of cost records prescribed under sub-section (1) of section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and

records have been made and maintained. We have however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.

- vii. In respect of Statutory dues:
  - (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income-tax, Goods & Service Tax, duty of customs, cess and other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
  - (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31<sup>st</sup> March, 2024 on account of disputes are given below:

Name of Statute	Nature of Dues	Amount (in Lakhs)	Period for which the amount relates to	Forum where dispute is pending
Goods & Service Tax Act, 2017	Goods & Service Tax	978.53	2019-20 & 2020-21	Appellate Authority, Vijayawada

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of loan or interest thereon to the bank. There are no dues to financial institutions or Government.
- (b) The Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and the outstanding term loans at the end of the year were applied for the purpose for which they were taken.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no

funds raised on short-term basis have been used for long-term purposes by the Company.

- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiary companies. Hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. (a) Based on the information and explanations given to us by the management, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Hence reporting on clause 3(x) (a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of fully or partly convertible debentures during the year.



- xi. (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that, no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) Since there is no fraud by the Company or on the Company that has been noticed or reported during the year, no report under sub-section (12) of section 143 of the Companies Act is required to be filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) No whistle blower complaints have been received during the year by the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Ind AS financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. In our opinion and according to the information and explanations given to us, there is no unspent amount towards Corporate Social Responsibility (CSR) under sub-section (5) of Section 135 of the said Act pursuant to any project. Accordingly, reporting under clauses 3(xx)(a) and (b) of the Order is not applicable.

Place: Hyderabad  
Date: 30<sup>th</sup> May, 2024

For **KARVY & CO**  
Chartered Accountants  
ICAI Firm Regn. No.0017575

**AJAYKUMAR KOSARAJU**  
Partner  
Membership No.021989  
UDIN: 24021989BKFZTL6373

## Annexure - B to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of **Suven Pharmaceuticals Limited** ("the Company") as of 31<sup>st</sup> March, 2024 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls 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 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.

#### Auditors' Responsibility

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

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

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

#### Meaning of Internal Financial Controls over Financial Reporting

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

Place: Hyderabad  
Date: 30<sup>th</sup> May, 2024

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **KARVY & CO**  
Chartered Accountants  
ICAI Firm Regn. No.0017575

**AJAYKUMAR KOSARAJU**  
Partner  
Membership No.021989  
UDIN: 24021989BKFZTL6373



# STANDALONE BALANCE SHEET

as at March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	49,690.70	50,900.87
Right of use assets	5(a)	2,507.66	108.67
Capital work-in-progress	3	17,897.16	16,481.46
Other Intangible assets	4	155.71	193.20
Intangible assets under development	4	11.03	-
Financial assets			
(i) Investments	6(a)(i)	31,721.01	31,721.01
(ii) Loans	6 (b)	0.75	2.25
(iii) Other financial assets	6 (c)	935.07	591.19
Other non-current assets	7	197.38	322.75
<b>Total non-current assets</b>		<b>1,03,116.47</b>	<b>1,00,321.40</b>
<b>Current assets</b>			
Inventories	8	22,006.98	31,146.62
Financial assets			
(i) Investments	6(a)(ii)	76,744.99	39,284.94
(ii) Trade receivables	6(d)	12,696.83	10,966.45
(iii) Cash and cash equivalents	6(e)(i)	1,831.34	4,302.13
(iv) Bank balances other than (iii) above	6(e)(ii)	326.76	321.12
(v) Loans	6 (b)	83.08	19.29
(vi) Other financial assets	6 (c)	42.88	156.98
Current tax asset (net)	14	1,084.76	-
Other current assets	9	6,137.44	9,314.11
<b>Total current assets</b>		<b>1,20,955.06</b>	<b>95,511.64</b>
<b>TOTAL ASSETS</b>		<b>2,24,071.54</b>	<b>1,95,833.04</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10(a)	2,545.65	2,545.65
Other equity	10(b)	2,03,043.97	1,72,392.41
<b>Total Equity</b>		<b>2,05,589.62</b>	<b>1,74,938.06</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	13(a)	-	456.42
(ii) Lease liabilities	5 (b)	2,123.56	69.98
Provisions	11	1,000.91	786.52
Deferred tax liabilities (net)	12	4,813.73	4,164.45
<b>Total non-current liabilities</b>		<b>7,938.21</b>	<b>5,477.37</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	13(b)	3,857.53	6,459.78
(ii) Lease liabilities	5 (b)	518.55	47.90
(iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises; and	13(c)	1,705.15	1,383.26
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	13(c)	2,421.71	5,305.85
(iv) Other financial liabilities	13(d)	874.58	1,522.62
Other current liabilities	15	701.83	282.11
Provisions	11	464.36	385.68
Current tax liabilities (net)	14	-	30.41
<b>Total current liabilities</b>		<b>10,543.70</b>	<b>15,417.61</b>
<b>TOTAL LIABILITIES</b>		<b>18,481.91</b>	<b>20,894.98</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,24,071.54</b>	<b>1,95,833.04</b>
Corporate information and summary of Material accounting policies	1&2		

The accompanying notes are an integral part of the standalone financial statements  
As per our report of even date

## For KARVY & CO.

Chartered Accountants  
(Firm Reg. No.001757S)

### Ajay Kumar Kosaraju

Partner  
Membership No. 021989

Place : Hyderabad  
Date : May 30, 2024

## For and on behalf of the Board of Directors of Suven Pharmaceuticals Limited

### Annaswamy Vaidheesh

Chairman  
DIN: 01444303

**Sudhir Kumar Singh**  
Chief Executive Officer

**Himanshu Agarwal**  
Chief Financial Officer

### Dr. V Prasada Raju

Managing Director  
DIN: 07267366

### K. Hanumantha Rao

Company Secretary  
Membership No. A11599



# STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Income</b>			
Revenue from operations	16	1,02,499.32	1,33,007.98
Other income	17	5,509.29	4,455.20
<b>Total income</b>		<b>1,08,008.61</b>	<b>1,37,463.19</b>
<b>Expenses</b>			
Cost of materials consumed	18	24,838.44	42,136.24
Changes in Inventories of work-in-progress and finished goods	19	5,387.96	(2,094.42)
Manufacturing expenses	20	12,777.79	17,164.59
Employee benefits expense	21	12,687.84	10,858.10
Finance cost	22	742.66	1,274.79
Depreciation and amortization expense	23	4,879.18	4,309.86
Other expenses	24	5,817.32	5,874.69
<b>Total expenses</b>		<b>67,131.19</b>	<b>79,523.85</b>
<b>Profit/(Loss) before tax</b>		<b>40,877.43</b>	<b>57,939.33</b>
<b>Tax expense</b>			
Current tax	25	9,814.26	14,462.57
Deferred tax	25	659.21	433.75
Prior year tax		(77.64)	(217.23)
<b>Profit/(Loss) for the year</b>		<b>30,481.61</b>	<b>43,260.25</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements gains/(losses) on defined benefit plans		(39.42)	(35.17)
Income tax relating to items that will not be reclassified to profit or loss		9.92	8.85
<b>Other comprehensive income /(loss) for the year (net of taxes)</b>		<b>(29.50)</b>	<b>(26.31)</b>
<b>Total comprehensive income for the year</b>		<b>30,452.11</b>	<b>43,233.94</b>
<b>Earnings per Equity share (Par value of ₹1 each)</b>			
Basic	35A	11.97	16.99
Diluted	35A	11.97	16.99
Corporate information and summary of Material accounting policies	1&2		

The accompanying notes are an integral part of the standalone financial statements  
As per our report of even date

**For KARVY & CO.**  
Chartered Accountants  
(Firm Reg. No.001757S)

**Ajay Kumar Kosaraju**  
Partner  
Membership No. 021989

Place : Hyderabad  
Date : May 30, 2024

**For and on behalf of the Board of Directors of  
Suvén Pharmaceuticals Limited**

**Annaswamy Vaidheesh**  
Chairman  
DIN: 01444303

**Dr. V Prasada Raju**  
Managing Director  
DIN: 07267366

**Sudhir Kumar Singh**  
Chief Executive Officer

**Himanshu Agarwal**  
Chief Financial Officer

**K. Hanumantha Rao**  
Company Secretary  
Membership No. A11599

# STANDALONE STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## a. Equity share capital

Particulars	Number of Shares	Amount
<b>Balance as at April 01, 2022</b>	25,45,64,956	2,545.65
Changes in equity share capital during the year	-	-
<b>Balance as at March 31, 2023</b>	<b>25,45,64,956</b>	<b>2,545.65</b>
Changes in equity share capital during the year	-	-
<b>Balance as at March 31, 2024</b>	<b>25,45,64,956</b>	<b>2,545.65</b>

## b. Other Equity

Particulars	Note	Reserves & surplus				Total
		Securities premium	General reserve	Retained earnings	Share based payment Reserve	
<b>Balance as at April 01, 2022</b>		<b>10,957.38</b>	<b>10,927.67</b>	<b>1,27,638.62</b>	-	<b>1,49,523.67</b>
Profit/(Loss) for the year	10(b)	-	-	43,260.25	-	43,260.25
Other comprehensive income	10(b)	-	-	(35.17)	-	(35.17)
Income tax relating to items of other comprehensive income		-	-	8.85	-	8.85
<b>Total comprehensive income</b>		-	-	<b>43,233.94</b>	-	<b>43,233.94</b>
Transfer to general Reserve	10(b)	-	-	(1,500.00)	-	(1,500.00)
Transfer from retained earnings	10(b)	-	1,500.00	-	-	1,500.00
Dividend paid	10(b)	-	-	(20,365.20)	-	(20,365.20)
<b>Balance at March 31, 2023</b>		<b>10,957.38</b>	<b>12,427.67</b>	<b>1,49,007.36</b>	-	<b>1,72,392.41</b>
<b>Balance as at April 01, 2023</b>		<b>10,957.38</b>	<b>12,427.67</b>	<b>1,49,007.36</b>	-	<b>1,72,392.41</b>
Profit/(Loss) for the year	10(b)	-	-	30,481.61	-	30,481.61
Other comprehensive income	10(b)	-	-	(39.42)	-	(39.42)
Income tax relating to items of other comprehensive income		-	-	9.92	-	9.92
<b>Total comprehensive income</b>		-	-	<b>30,452.11</b>	-	<b>30,452.11</b>
Share based payment expense	26	-	-	-	199.45	199.45
<b>Balance as at March 31, 2024</b>		<b>10,957.38</b>	<b>12,427.67</b>	<b>1,79,459.47</b>	<b>199.45</b>	<b>2,03,043.97</b>

Refer Note 10(b) for nature and purpose of reserves

This is the Statement of Changes in Equity referred to in our report of even date

### For KARVY & CO.

Chartered Accountants  
(Firm Reg. No.0017575)

**Ajay Kumar Kosaraju**

Partner  
Membership No. 021989

Place : Hyderabad  
Date : May 30, 2024

### For and on behalf of the Board of Directors of Suven Pharmaceuticals Limited

**Annaswamy Vaidheesh**

Chairman  
DIN: 01444303

**Sudhir Kumar Singh**  
Chief Executive Officer

**Himanshu Agarwal**  
Chief Financial Officer

**Dr. V Prasada Raju**

Managing Director  
DIN: 07267366

**K. Hanumantha Rao**

Company Secretary  
Membership No. A11599

# STANDALONE STATEMENT OF CASH FLOWS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>A. Cash flow from operating activities</b>		
<b>Profit before tax for the year</b>	<b>40,877.43</b>	<b>57,939.33</b>
<b>Adjustments :</b>		
Depreciation and amortisation expense	4,600.20	4,190.40
Interest income	(193.44)	(572.00)
Finance cost	742.66	1,274.79
Gain on sale of current investment	(4,380.04)	(1,421.05)
Unrealized foreign exchange	46.43	95.42
Loss/(Profit) on disposal of property, plant and equipment	6.75	0.65
Employee compensation expenses	199.45	-
<b>Operating profit before working capital changes</b>	<b>41,899.44</b>	<b>61,507.56</b>
<b>Movements in Working Capital</b>		
Trade receivables	(1,738.99)	12,574.00
Inventories	9,139.64	(2,804.89)
Other non current assets	(2,399.00)	31.89
Other current assets	3,176.67	(1,833.16)
Trade payables	(2,561.76)	(3,899.92)
Long term provisions	214.40	(102.93)
Short term provisions	39.27	(57.01)
Other financial liabilities	(272.85)	(1,246.99)
Other current liabilities	419.72	(307.82)
<b>Cash generated from operating activities</b>	<b>47,916.52</b>	<b>63,860.73</b>
Income taxes paid (net of refunds)	(10,851.79)	(14,579.14)
<b>Net Cash flows from operating activities (A)</b>	<b>37,064.73</b>	<b>49,281.59</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(5,031.94)	(14,460.65)
Proceeds from sale of property, plant and equipment	-	7.20
Investment in subsidiaries	-	(19,853.72)
Interest received from FD and debentures	193.44	572.00
Fixed deposits/margin money-placed/matured	(229.78)	(208.96)
Sale/(purchase) of mutual funds	(33,080.01)	10,258.35
Bank balances not considered as cash and cash equivalents	(9.54)	(0.44)
<b>Net cash flow from /(used in) investing activities (B)</b>	<b>(38,157.83)</b>	<b>(23,686.22)</b>

## STANDALONE STATEMENT OF CASH FLOWS (contd.)

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>C. Cash flows from financing activities</b>		
(Repayment)/proceeds from long term borrowings	(454.92)	(2,375.75)
(Repayment)/proceeds from short term borrowings	(2,704.43)	(261.05)
Repayment of lease liabilities	2,524.23	(37.50)
Finance cost paid	(742.66)	(1,274.79)
Dividends paid to equity holders	-	(20,365.20)
<b>Net cash flow from / (used In) financing activities (C)</b>	<b>(1,378.00)</b>	<b>(24,314.00)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(2,470.88)</b>	<b>1,281.08</b>
Cash and cash equivalents as at the beginning of the year (Refer Note 6(e) (i))	4,302.13	3,021.05
Effect of exchange differences on restatement on foreign currency cash & cash equivalents	0.09	0.00
<b>Cash and cash equivalents at the end of the year</b>	<b>1,831.34</b>	<b>4,302.13</b>
Cash and cash equivalents (Refer Note 6(e)(i))	1,831.34	4,302.13
<b>Balance as per statement of cash flows</b>	<b>1,831.34</b>	<b>4,302.13</b>

This is the Cash Flow Statement referred to in our report of even date

Note -The above statement of cash flow has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7 (Ind AS-7) "Statement of Cash Flows"

The accompanying notes are an integral part of the standalone financial statements  
As per our report of even date

**For KARVY & CO.**  
Chartered Accountants  
(Firm Reg. No.0017575)

**For and on behalf of the Board of Directors of  
Suven Pharmaceuticals Limited**

**Ajay Kumar Kosaraju**  
Partner  
Membership No. 021989

**Annaswamy Vaidheesh**  
Chairman  
DIN: 01444303

**Dr. V Prasada Raju**  
Managing Director  
DIN: 07267366

Place : Hyderabad  
Date : May 30, 2024

**Sudhir Kumar Singh**  
Chief Executive Officer

**Himanshu Agarwal**  
Chief Financial Officer

**K. Hanumantha Rao**  
Company Secretary  
Membership No. A11599



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## 1. Corporate information

Suven Pharmaceuticals Limited (SPL) is a bio-pharmaceutical company, incorporated on 6<sup>th</sup> November, 2018 with the object of being engaged in the business of development and manufacturing of New Chemical Entity (NCE) based Intermediates, Active Pharmaceutical Ingredients (API), Specialty Chemicals and formulated drugs under contract research and manufacturing services for global pharmaceutical, biotechnology and chemical companies.

## 2. Material accounting policies

### a) Basis of preparation of Financial Statements

#### (i) Statement of compliance

These standalone financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the standalone financial statements

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

The financial statements for the year ended March 31, 2024 were approved by the Board of directors on May 30, 2024

#### (ii) Basis of measurement

The financial statements have been prepared on a historical cost and on accrual basis, except for the following;

- certain financial assets and liabilities are measured either at fair value or at amortised cost depending on the classification
- employee defined benefit assets / liability recognised as the net total of the fair value of

plan assets, and actuarial losses/gains, and the present value of defined benefit obligation.

- Right-of-use the assets are recognised at the present value of lease payments that are not paid at that date. This amount is adjusted for any lease payments made at or before the commencement date, lease incentives received and initial direct costs, incurred, if any.

### b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

#### An asset is treated as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
  - Held primarily for the purpose of trading
  - Expected to be realised within twelve months after the reporting period, or
  - Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.

#### A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in Cash and Cash equivalents. The Company has identified twelve months as its operating cycle.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

*(All amounts in ₹ Lakhs, unless otherwise stated)*

## c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chairman and Managing director has been identified as being the Chief Operating Decision Maker and he is responsible for allocating the resources, assess the financial performance and position of the Company and makes strategic decisions Refer Note 30 for the segment information presented.

## d) Foreign currency translation

### (i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency

### (ii) Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets

and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

## e) Fair value measurement

The Company 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 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.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

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 (refer Note 27).

## f) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying

amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

### Depreciation methods, estimated useful lives and residual value

Depreciation on Property, Plant and Equipment is provided on straight-line basis at the rates arrived at based on the useful lives prescribed in Schedule II of the Companies Act, 2013. The company follows the policy of charging depreciation on pro-rata basis on the assets acquired or disposed off during the year.

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in Statement of profit or loss when the assets is derecognised.

### Estimated useful life:

- Factory buildings	25 - 30 years
- Roads	3 - 10 years
- Machinery	8 - 20 years
- Furniture, fittings and equipment	3 - 10 years
- Vehicles	8 - 10 years
- Computers	3 - 6 years
- Leasehold improvements	Lower of useful life of the asset or lease term

The Company, based on technical assessment made by technical expert and management estimate, depreciates items of Property, plant and equipment over estimated useful lives which are different from the

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

## g) Intangibles

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of the carrying value of another asset. Estimated useful lives by major class of finite life intangible assets are as follows:

### Estimated useful life:

Software	3-10 years
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#### (i) Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred.

Research costs are expensed as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the

*(All amounts in ₹ Lakhs, unless otherwise stated)*

Company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use
- Management intends to complete the software and use or sell it
- There is an ability to use or sell the software
- It can be demonstrated how the software will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available and;
- The expenditure attributable to the software during its development can be reliably measured

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is available for use. During the period of development, the asset is tested for impairment annually.

#### (ii) Amortization methods and periods

Intangible assets with finite useful lives are amortized over their respective individual estimated useful lives (3-10 years in case of computer software) on a straight line basis.

## h. Capital work in progress and intangible assets under development

Capital work-in-progress represents Property, Plant and Equipment that are not ready for its intended use as at the balance sheet date. Projects under commissioning and other CWIP/ intangible assets under development



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost

Advances given to acquire property, plant and equipment are recorded as non-current assets and subsequently transferred to CWIP on acquisition of related assets

## i. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years.

For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

## j. Inventories

Raw materials, packing materials and stores, work-in-progress, traded and finished goods are stated at the lower of cost and net realizable value. Cost of raw materials, packing materials and stores comprise of cost of purchase. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure allocated based on the normal operating capacity but excluding borrowing costs. Cost of inventories also include all other cost incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of first-in-first-out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## Inventory provision policy

Ageing Bucket	Provision % of CDMO, API & FDF RM	Provison % for FDF SFG & FG
1-2 years	0%	100%
2-3 years	25%	100%
3-4 years	80%	100%
>4 years & Specific provision	100%	100%

## k. Cash and cash equivalents

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

## l. Income Taxes

Income tax expense comprises of current and deferred tax.

### Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities in accordance with the Indian Income-tax Act, 1961. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most

likely method or expected value method, depending on which method predicts better resolution of the treatment.

### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Company relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

Deferred income tax assets and liabilities are measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or substantive enactment date. The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity which intends either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

## m. 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.

### The 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

*(All amounts in ₹ Lakhs, unless otherwise stated)*

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.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The useful lives are reviewed by the management at each financial year-end and revised, if appropriate. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note (2)(i) 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. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses interest rate implicit in the lease because incremental borrowing rate at

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

*(All amounts in ₹ Lakhs, unless otherwise stated)*

the lease commencement date is not readily determinable. The incremental borrowing rate is calculated at the rate of interest at which the Company would have been able to borrow for similar term and with a similar security the funds necessary to obtain a similar asset in similar market. 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.

### n. Financial instrument

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

##### (i) Initial recognition and measurement Classification

Financial assets are classified, at initial recognition, as financial assets measured at fair value through profit or loss, fair value through

other comprehensive income (OCI) or as financial assets measured at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

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, i.e., the date that the Group commits to purchase or sell the asset.

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.

## Subsequent measurement

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

- a) Financial assets at amortised cost (debt instruments)
- b) Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

- d) Financial assets at fair value through profit or loss

## a) Financial assets at amortised cost (debt instruments):

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option:

- Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This category is the most relevant to the Company. 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 finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The Group's financial assets at amortised cost includes trade receivables, loans, deposits and export incentives included under other current and non-current financial assets.

## b) Financial assets at fair value through other comprehensive income (FVTOCI) (debt instruments):

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option:

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

- **Business Model Test:** A financial assets that is held for collection of contractual cash flows and for selling of the financial assets
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

The Company's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

## c) **Financial assets designated at fair value through OCI (equity instruments)**

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

d) **Financial assets at Fair value through profit or loss:** Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss. This category includes investment in mutual funds.

## e) **Impairment of financial assets**

In accordance with Ind AS 109 - Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Company applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument. In addition, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Company's debt instruments at fair value through OCI comprise solely of quoted bonds that are graded in the top investment category (Very Good and Good) by the Good Credit Rating Agency and, therefore, are

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company uses the ratings from the Good Credit Rating Agency both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables and contract assets only, the Company applies the simplified approach permitted by Ind AS 109"

## De-recognition

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 statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
  - The Company has transferred its rights to receive 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 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

*(All amounts in ₹ Lakhs, unless otherwise stated)*

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. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

## Financial liabilities

### Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss or at amortized cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

### Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

*(All amounts in ₹ Lakhs, unless otherwise stated)*

in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Group has not designated any financial liability as at fair value through profit or loss.

## **Financial liabilities at amortized cost (Loans and Borrowings)**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. 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 and loss.

## **Financial guarantee contracts**

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs

that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less, when appropriate, the cumulative amortisation amount of income recognised in accordance with the principles of Ind AS 115.

## **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 in the respective carrying amounts is recognised in the statement of profit and 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 the 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 the 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.



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## **o. Employee benefits**

### **(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### **(ii) Other long-term employee benefit obligations**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefit are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations. Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### **(iii) Post-employment obligations**

The Company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity; and

- (b) Defined contribution plans such as provident fund.

### **Gratuity obligations**

The liability or assets recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the current in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

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 the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and change in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

*(All amounts in ₹ Lakhs, unless otherwise stated)*

amendments or curtailments are recognized immediately in profit or loss as past service cost.

## **Defined contribution plans**

The company pays provident fund contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note 11.

## **(iv) Bonus plans**

The Company recognizes a liability and an expense for bonuses. The company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

## **(v) Compensated Absences**

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected

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

## **p Derivatives and hedging activities**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

## **q. Share-based payments**

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments.

## **Equity-settled transactions**

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an Monte Carlo Simulation Pricing ("MCS"), further details of which are given in Note 26. That cost is recognised in employee benefits expense (Note 21), together with a corresponding increase in equity, over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date, to the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

estimate of the number of equity instruments that will ultimately vest. Market performance conditions are considered within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are considered in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions. No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have-not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss. Contingently issuable share are treated as outstanding and are included in the calculation of basic earning per share (EPS) only from the date when all the necessary conditions are satisfied (i.e., event have occurred). Also contingently issuable share are treated as outstanding and included in calculation of diluted earning per share, if the conditions are satisfied (i.e. the event has occurred). (further details are given in Note 26).

## r. Revenue recognition

Revenue from contracts with customers is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can

be reliably measured, regardless of when the payment is being made. When a performance obligation is satisfied, the revenue is measured at the transaction price which is consideration received or receivable, net of returns and allowances, trade discounts and volume rebates after taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company derives revenues primarily from manufacture and sale of Active Pharma Ingredients (API) including intermediates and Contract Research services (together called as "Pharmaceuticals")

The following is summary of significant accounting policies relating to revenue recognition.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognize revenues, we apply the following five step approach:

- (1) Identify the contract with a customer,
- (2) Identify the performance obligations in the contract,
- (3) Determine the transaction price,
- (4) Allocate the transaction price to the performance obligations in the contract, and
- (5) Recognize revenues when a performance obligation is satisfied.

**Sale of products :** The Company recognises revenue for supply of goods to customers against orders received. The majority of contracts that company enters into relate to sales orders containing single performance obligations for the delivery of pharmaceutical products as per Ind AS 115. Product revenue is recognised when control of the goods is passed to the customer. The point at which control passes is determined based on the terms

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

and conditions by each customer arrangement, but generally occurs on shipment to the customer. Revenue is not recognised until it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur

**Sale of services :** Revenue from contract research operations is recognised based on services performed till date as a percentage of total services. The agreed milestones are specified in the contracts with customers which determine the total services to be performed.

#### **Contract asset:**

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

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in Financial instruments.

**Contract Liabilities:** A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or the amount 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 made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

#### **Royalty**

Royalty revenue is recognized 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 production, sales and other measures are recognized by reference to the underlying arrangement.

#### **Interest income**

For all debt financial instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Interest income is included in finance income in the Statement of Profit and Loss.

**Export Incentives:** Export incentives are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds

#### **Dividends**

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably."

#### **s. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that take a substantial period of time to get ready for their intended use or sale are capitalized as part of the cost of the respective asset. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. Other borrowings costs are expensed in the period in which they are incurred. Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowing to the extent they are regarded as adjustment to the interest cost. Borrowing cost also includes exchange differences



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

to the extent regarded as an adjustment to the borrowing costs.

## t. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

## u. Earnings per share

### (i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

### (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

## v. Cash flow statement

Cash flows are reported using the Indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows

from operating, financing activities of the company are segregated.

## w. Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirements of Schedule III, unless otherwise stated.

## x. Provision, contingent liabilities, contingent assets and commitments

**Provisions** are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. The expense relating to a provision is presented in the statement of profit and loss.

### Contingent liabilities

Contingent liabilities are disclosed, unless the possibility of outflow of resources is remote, when there is

- A possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or
- A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or reliable estimate of the amount cannot be made. The Company does not recognize a contingent liability but discloses the same as per the requirements of Ind AS 37.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by- the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognize the contingent asset in its standalone financial statements since this may result in the recognition of income that may never be realised. Where an inflow of economic benefits are probable, the Company disclose a brief description of the nature of contingent assets at the end of the reporting period. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and the Company recognize such assets.

## Commitments

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

## y. Critical estimates and Judgements

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

**The areas involving critical estimates or judgements are:**

1. Estimation of current tax expense and payable
2. Estimated Useful life of Depreciable assets / intangible assets
3. Estimation of defined benefit obligation
4. Recognition of revenue
5. Recognition of deferred tax assets for carried forward losses
6. Recoverability of advances/receivable
7. Evaluation of indicators for Impairment of assets
8. Valuation of inventories
9. Determination of cost for right-of-use assets and lease term
10. Contingencies
11. Financial instruments
12. Fair value measurement of financial instruments
13. Share based payments
14. Depreciation on property, plant, equipment, and amortization of intangible assets

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

## z. New standards and interpretations not yet adopted

- i. New and Amended Standards Adopted by the Company: The Company has applied the following amendments for the first time for their annual reporting period commencing April 1, 2023:

### Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

## **Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the cognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company has evaluated and the amendment and there is no impact on its financial statements.

## **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting

*(All amounts in ₹ Lakhs, unless otherwise stated)*

estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

## **(ii) New Standards/Amendments notified but not yet effective:**

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.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

### Note 3: Property, plant and equipment

Particulars	Land- Free Hold	Lease- hold im- prove- ments	Build- ings - Office at Factory	Buildings - Factory (including roads)	Plant & Equip- ment	Furni- ture & Fix- tures	Vehi- cles	Office Equip- ments	Labo- ratory Equip- ments	ETP Works	EDP Equip- ments	Total	Capital work-in- progress
<b>Gross carrying amount</b>													
<b>Balance as at April 01, 2022</b>	1,504.64	-	31.20	18,103.26	41,683.39	820.31	166.09	226.14	4,266.91	1,704.53	333.18	68,839.65	2,999.38
Additions	-	-	-	264.44	1,008.48	31.83	34.72	23.76	510.79	117.09	12.73	2,003.84	15,485.92
Capitalized during the year	-	-	-	-	-	-	-	-	-	-	-	-	2,003.84
Disposals	-	-	-	-	51.69	-	-	-	10.52	-	-	62.21	-
<b>Balance as at March 31, 2023</b>	<b>1,504.64</b>	-	<b>31.20</b>	<b>18,367.70</b>	<b>42,640.18</b>	<b>852.15</b>	<b>200.82</b>	<b>249.90</b>	<b>4,767.18</b>	<b>1,821.62</b>	<b>345.91</b>	<b>70,781.28</b>	<b>16,481.46</b>
<b>Accumulated depreciation</b>													
<b>Balance as at April 01, 2022</b>	-	-	5.24	3,131.05	9,524.91	334.15	79.78	164.43	1,891.90	395.53	257.48	15,784.46	-
Depreciation for the year	-	-	0.75	687.54	2,792.57	69.64	20.22	19.99	407.48	122.07	30.08	4,150.31	-
Disposals	-	-	-	-	43.84	-	-	-	10.52	-	-	54.36	-
<b>Balance as at March 31, 2023</b>	-	-	<b>5.99</b>	<b>3,818.58</b>	<b>12,273.64</b>	<b>403.79</b>	<b>100.00</b>	<b>184.41</b>	<b>2,288.85</b>	<b>517.60</b>	<b>287.56</b>	<b>19,880.42</b>	-
<b>Gross carrying amount</b>													
<b>Balance as at April 01, 2023</b>	1,504.64	-	31.20	18,367.70	42,640.18	852.15	200.82	249.90	4,767.18	1,821.62	345.91	70,781.28	16,481.46
Additions	-	425.98	-	83.41	2,367.00	22.70	23.21	93.03	290.71	21.54	71.67	3,399	4,814.95
Capitalized during the year	-	-	-	-	-	-	-	-	-	-	-	-	3,399.25
Disposals	-	-	-	-	700.60	-	75.08	12.76	90.44	-	72.72	952	-
<b>Balance as at March 31, 2024</b>	<b>1,504.64</b>	<b>425.98</b>	<b>31.20</b>	<b>18,451.11</b>	<b>44,306.59</b>	<b>874.85</b>	<b>148.94</b>	<b>330.17</b>	<b>4,967.45</b>	<b>1,843.16</b>	<b>344.86</b>	<b>73,228.93</b>	<b>17,897.16</b>
<b>Accumulated depreciation</b>													
<b>Balance as at April 01, 2023</b>	-	-	5.99	3,818.58	12,273.64	403.79	100.00	184.41	2,288.85	517.60	287.56	19,880.42	-
Depreciation for the year	-	0.47	0.75	695.78	3,191.54	72.77	19.46	22.18	424.25	103.52	28.50	4,559.23	-
Disposals	-	-	-	-	695.89	-	34.45	11.94	87.90	-	71.23	901.41	-
<b>Balance as at March 31, 2024</b>	-	<b>0.47</b>	<b>6.73</b>	<b>4,514.37</b>	<b>14,769.29</b>	<b>476.56</b>	<b>85.01</b>	<b>194.66</b>	<b>2,625.20</b>	<b>621.12</b>	<b>244.83</b>	<b>23,538.23</b>	-
<b>Net carrying value as at March 31, 2024</b>	<b>1,504.64</b>	<b>425.51</b>	<b>24.46</b>	<b>13,936.74</b>	<b>29,537.30</b>	<b>398.29</b>	<b>63.93</b>	<b>135.51</b>	<b>2,342.25</b>	<b>1,222.04</b>	<b>100.03</b>	<b>49,690.70</b>	<b>17,897.16</b>
<b>Net carrying value as at March 31, 2023</b>	<b>1,504.64</b>	-	<b>25.21</b>	<b>14,549.12</b>	<b>30,366.55</b>	<b>448.35</b>	<b>100.82</b>	<b>65.48</b>	<b>2,478.33</b>	<b>1,304.02</b>	<b>58.35</b>	<b>50,900.87</b>	<b>16,481.46</b>

### Notes:

Refer Note 13 (b) for information on property, plant and equipment pledged as security by the Company

Refer Note 34 for disclosure of contractual commitments for the acquisition of property, plant and equipment.



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

(i) The title deeds of certain free hold land are in the process of perfection of title. Details of such free-hold land are as follows

Details as on March 31, 2024

Description of item of property	Gross carrying value	Title deed held in name of	Whether title deed holder is a promoter, director or relative/ employee of promoter/director	Property held since which date	Reason for not been held in the name of the Company
Land Free hold	600.26	SUVEN LIFESCIENCES LIMITED	None	January 06, 2020	Mutation pending
Land Free hold	143.76	SUVEN NISHTAA PHARMA PVT LIMITED	None	January 06, 2020	Mutation pending
Land Free hold	17.58	SUVEN SYNTHESIS LIMITED	None	January 06, 2020	Mutation pending

Details as on March 31, 2023

Description of item of property	Gross carrying value	Title deed held in name of	Whether title deed holder is a promoter, director or relative/ employee of promoter/director	Property held since which date	Reason for not been held in the name of the Company
Land Free hold	600.26	SUVEN LIFESCIENCES LIMITED	None	January 06, 2020	Mutation pending
Land Free hold	143.76	SUVEN NISHTAA PHARMA PVT LIMITED	None	January 06, 2020	Mutation pending
Land Free hold	17.58	SUVEN SYNTHESIS LIMITED	None	January 06, 2020	Mutation pending

Capital Work-in-progress ageing schedule for the year ended March 31, 2024 and March 31, 2023 is as follows:

Particulars	Amount in Capital Work-In-Progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Balance as at March 31, 2024</b>					
Projects in progress	3,840.70	12,154.59	1,901.87	-	17,897.16
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>3840.70</b>	<b>12,154.59</b>	<b>1901.87</b>	<b>-</b>	<b>17,897.16</b>
<b>Balance as at March 31, 2023</b>					
Projects in progress	14,521.42	1,958.44	1.61	-	16,481.46
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>14,521.42</b>	<b>1,958.44</b>	<b>1.61</b>	<b>-</b>	<b>16,481.46</b>

**Note:**

The company has not revalued its Property, Plant and Equipment

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## Note 4: Intangible assets

Particulars	Computer Software	Total	Intangible assets under development
<b>Gross carrying amount</b>			
Balance as at April 01, 2022	400.70	400.70	-
Additions	9.65	9.65	-
Disposals	-	-	-
<b>Balance as at March 31, 2023</b>	<b>410.35</b>	<b>410.35</b>	-
<b>Accumulated amortisation and impairment</b>			
Balance as at April 01, 2022	177.06	177.06	-
Amortisation for the year	40.09	40.09	-
<b>Balance as at March 31, 2023</b>	<b>217.15</b>	<b>217.15</b>	-
<b>Gross carrying amount</b>			
Balance as at April 01, 2023	410.35	410.35	-
Additions	3.49	3.49	11.03
Disposals	-	-	-
<b>Balance as at March 31, 2024</b>	<b>413.84</b>	<b>413.84</b>	<b>11.03</b>
<b>Accumulated amortisation and impairment</b>			
Balance as at April 01, 2023	217.15	217.15	-
Amortisation for the year	40.98	40.98	-
<b>Balance as at March 31, 2024</b>	<b>258.13</b>	<b>258.13</b>	-
<b>Net carrying value as at March 31, 2024</b>	<b>155.71</b>	<b>155.71</b>	<b>11.03</b>
<b>Net carrying value as at March 31, 2023</b>	<b>193.20</b>	<b>193.20</b>	-

Capital Work-in-progress ageing schedule for the year ended March 31, 2024 and March 31, 2023 is as follows:

Particulars	Amount in Capital Work-In-Progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Balance as at March 31, 2024</b>					
Projects in progress	11.03	-	-	-	11.03
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>11.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11.03</b>
<b>Balance as at March 31, 2023</b>					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## Note 5: Leases

### Note 5(a): Right of use assets

Particulars	March 31, 2024	March 31, 2023
<b>Opening balance</b>	108.67	140.56
Addition	2,695.01	79.35
Modifications	-	8.22
Deletion	26.35	-
Less Depreciation expense	269.66	119.46
<b>Closing balance</b>	<b>2,507.66</b>	<b>108.67</b>

### Note 5(b): Lease liabilities

Particulars	March 31, 2024	March 31, 2023
<b>Opening balance</b>	117.88	155.38
Modifications	-	3.94
Addition	2,695.01	79.35
Deletion	27.83	-
Add: Accretion of interest	124.02	12.60
Less: Payments	265.19	142.95
Add/(Less): Exchange fluctuation	(1.78)	9.55
<b>Closing balance</b>	<b>2,642.11</b>	<b>117.88</b>

Particulars	March 31, 2024	March 31, 2023
Current Portion	518.55	47.90
Non-Current Portion	2,123.56	69.98

### Contractual maturities of lease liabilities is as basis (undiscounted basis)

Particulars	March 31, 2024	March 31, 2023
Less than one year	518.55	47.90
1 to 5 years	1,897.51	69.98
above 5 years	1,457.03	-
<b>Closing balance</b>	<b>3,873.10</b>	<b>117.88</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## Note 6: Financial assets

### 6 (a) (i) Non-current investments

Particulars	Face value	March 31, 2024		March 31, 2023	
		Shares	Amount	Shares	Amount
<b>Investment carried at cost</b>					
<b>Unquoted Equity Instruments - (Fully paid up)</b>					
<b>Subsidiary Companies</b>					
a) <b>Equity shares of Suven Pharma Inc. At par value USD 0.01</b>		1,500	0.01	1,500	0.01
-Additional paid in capital		NA	11,860.23	NA	11,860.23
Less: Provision for Impairment			-		-
b) <b>Casper Pharma Pvt Ltd</b>	10	2,60,80,775	19,853.72	2,60,80,775	19,853.72
Less: Provision for Impairment			-		-
<b>Other investments (carried at fair value through profit and loss)</b>					
Jeedimetla Effluent Treatment Ltd	100	1,000	6.00	1,000	6.00
Patancheru Envirotech Pvt Ltd	10	10,487	1.05	10,487	1.05
Less: Provision for Impairment					
<b>Total investments</b>			<b>31,721.01</b>		<b>31,721.01</b>
Aggregate value of unquoted investments			31,721.01		31,721.01
Aggregate amount of impairment in value of Investment			-		-

### 6 (a) (ii) Current investments carried at Fair value through Profit & Loss

Particulars	March 31, 2024		March 31, 2023	
	Units	Amount	Units	Amount
<b>Investment in Mutual Funds- Quoted (Fully paid up)</b>				
Nippon India Corporate Bond Fund Direct Plan Growth Plan	77,06,979	4,346.61	77,06,979	4,016.32
Sbi Corporate Bond Fund	2,64,81,308	2,715.09	2,64,81,308	3,528.93
Sbi Savings Fund -Direct	1,10,35,684	4,375.95	69,31,025	2,604.08
Sbi Fixed Maturity Plan	3,68,47,627	3,684.76	1,50,92,523	1,509.25
Tata Corporate Bond	3,37,82,334	3,745.58	3,37,82,334	3,549.14
Tata Money Market Fund - Direct Plan Growth	1,91,416	8,446.68	1,91,416	7,748.63
Bandhan Low Duration Fund	1,22,94,957	5,435.57	1,22,94,957	4,116.54
Sbi Arbitrage Opportunities Fund -Direct Plan Growth	3,04,60,348	13,724.44	-	-
Tata Arbitrage Fund - Direct Plan-Growth	4,12,13,411	6,661.89	-	-
Nippon India Arbitrage Fund-Growth-Direct Plan	2,32,38,581	7,577.51	-	-
Bandhan Arbitrage Fund-Growth-Direct Plan	1,17,77,290	3,760.21	-	-



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2024		March 31, 2023	
	Units	Amount	Units	Amount
Aditya Birla Sun Life Low Duration Fund-Growth Direct Plan	7,52,427	4,959.56	-	-
Hdfc Arbitrage Fund-Whole Sale Plan-Growth-Direct Plan	2,59,73,707	4,770.33	-	-
Hdfc Liquid Fund--Growth-Direct Plan	53,562	2,540.81	-	-
Nippon India Liquid Fund-Growth	-	-	36,384	2,003.67
Sbi Liquid Fund	-	-	99,706	3,512.96
Tata Treasury Advantage Fund Direct Plan	-	-	75,882	2,592.09
<b>Investment in Bonds and Debentures- Unquoted (Fully paid up)</b>				
Lichf Ltd - 8.89%		-	50	542.28
Muthoot Finance-6.60%		-	2,00,000	2,098.86
Shriram City U F Ltd		-	125	1,462.20
<b>Total current investments</b>		<b>76,744.99</b>		<b>39,284.94</b>
Aggregate amount of quoted investments & market value thereof		76,744.99		35,181.59
Aggregate value of Unquoted investments				4,103.34
Aggregate amount of impairment in value of Investment		-		-

## 6(b) Loans

Particulars	March 31, 2024		March 31, 2023	
	Current	Non-current	Current	Non-current
<b>Unsecured, considered good</b>				
Loan to employees	83.08	0.75	19.29	2.25
<b>Total loans</b>	<b>83.08</b>	<b>0.75</b>	<b>19.29</b>	<b>2.25</b>

## 6(c) Other financial assets

Particulars	March 31, 2024		March 31, 2023	
	Current	Non Current	Current	Non Current
<b>Unsecured, considered good</b>				
Security deposits	-	935.07	-	591.19
Interest accrued on deposit	42.88	-	28.17	-
Insurance claim receivable	-	-	128.80	-
<b>Total other financial assets</b>	<b>42.88</b>	<b>935.07</b>	<b>156.98</b>	<b>591.19</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## 6(d) Trade receivables

(Carried at amortised cost, except otherwise stated)

Particulars	March 31, 2024	March 31, 2023
Unsecured - considered good*	12,696.83	10,966.45
Trade receivables which have significant increase in credit risk	-	-
Unsecured - Credit Impaired	-	-
<b>Total</b>	<b>12,696.83</b>	<b>10,966.45</b>
Less: Allowance for expected credit loss	-	-
<b>Trade receivables- credit impaired-unsecured</b>	<b>-</b>	<b>-</b>

\*No Trade receivables are due from directors or other officers of the company either severally or jointly with any other person. Refer Note: 32 for dues from related parties

## Trade receivables ageing schedule for the year ended March 31, 2024 and March 31, 2023

Ageing for trade receivables - Outstanding as at March 31, 2024 is as follows :

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables- considered good	3,911.38	8,785.44	-	-	-	-	12,696.83
(ii) Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables- credit Impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Undisputed trade receivables- credit Impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>3,911.38</b>	<b>8,785.44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,696.83</b>
Less: Allowance for expected credit loss	-	-	-	-	-	-	-
<b>Balance at the end of the year</b>	<b>3,911.38</b>	<b>8,785.44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,696.83</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## Ageing for trade receivables - Outstanding as at March 31,2023 is as follows :

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables- considered good	3,081.99	7,884.46	-	-	-	-	10,966.45
(ii) Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables- credit Impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Undisputed trade receivables- credit Impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>3,081.99</b>	<b>7,884.46</b>	-	-	-	-	<b>10,966.45</b>
Less: Allowance for expected credit loss							
<b>Balance at the end of the year</b>	<b>3,081.99</b>	<b>7,884.46</b>	-	-	-	-	<b>10,966.45</b>

## 6(e) (i) Cash and cash equivalents

Particulars	March 31, 2024	March 31, 2023
Balances with banks		
-in current accounts	1,182.96	2,346.95
-in EEFC account	138.32	1,445.07
- in Cash credit account	5.36	5.39
-Fixed Deposits with banks (Original maturities less than 3 months)	500.00	500.00
Cash on hand	4.70	4.72
<b>Total cash and cash equivalents</b>	<b>1,831.34</b>	<b>4,302.13</b>

## 6(e) (ii) Bank balances other than cash and cash equivalents

Particulars	March 31, 2024	March 31, 2023
In unclaimed dividend accounts*	101.82	105.72
LC & Bank Guarantee margin money**	224.95	215.40
<b>Total Other bank balances</b>	<b>326.76</b>	<b>321.12</b>

\*There are no amount due for payment to the Investor Education Protection Fund under sec 125 of Companies act 2013, as the year end.

\*\*Margin Money deposits with carrying amount of ₹224.95Lakhs (March 2023 - ₹215.40 Lakhs) are subject to first charge against bank guarantees obtained.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## Note 7: Other non-current assets

Particulars	March 31, 2024	March 31, 2023
Capital advances	197.38	322.75
<b>Total other non-current assets</b>	<b>197.38</b>	<b>322.75</b>

## Note 8: Inventories

(Valued at lower of cost or Net Realisable Value)

Particulars	March 31, 2024	March 31, 2023
Raw materials	4,028.46	7,609.53
Work-in-progress	10,062.44	11,348.32
Finished goods	5,811.47	9,913.54
Stores and spares	1,711.81	1,906.31
Packing materials	392.80	368.91
<b>Total inventories</b>	<b>22,006.98</b>	<b>31,146.62</b>

## Note 9: Other current assets

Particulars	March 31, 2024	March 31, 2023
<b>Unsecured, considered good</b>		
Duty drawback receivable	111.25	125.74
RoDTEP Receivable	543.97	-
GST receivable	4,857.43	6,312.38
Pre paid expenses	439.79	790.13
Advances to material suppliers	136.57	1,776.61
Advances to service providers	46.34	260.80
Others advances	2.10	48.44
<b>Total other current assets</b>	<b>6,137.44</b>	<b>9,314.11</b>

## Note 10: Equity share capital and other equity

### 10(a) Equity share capital

Particulars	March 31, 2024	March 31, 2023
<b>Authorised Capital</b>		
400,000,000 Equity shares of ₹1 /- each	4,000.00	4,000.00
(March 31,2023 400,000,000 Equity shares of ₹1 /- each)		
	<b>4,000.00</b>	<b>4,000.00</b>
<b>Issued, Subscribed and fully paid up</b>		
25,45,64,956 Equity shares of ₹1/- each	2,545.65	2,545.65
(March 31,2023: 25,45,64,956 Equity shares of ₹1/- each)		
	<b>2,545.65</b>	<b>2,545.65</b>



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## 10(a).1 Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	March 31, 2024		March 31, 2023	
	Number	Amount	Number	Amount
Equity Shares				
At the beginning of the year	25,45,64,956	2,545.65	25,45,64,956	2,545.65
Add: Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>25,45,64,956</b>	<b>2,545.65</b>	<b>25,45,64,956</b>	<b>2,545.65</b>

## 10 (a).2 Terms/ rights attached to equity shares

Equity shares have a par value of ₹1. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.

Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently . The distribution will be in proportions to the number of equity shares held by the shareholders

## 10 (a) . 3(i) Details of shares held by the promoter at the end of the year March 31, 2024

Name of the Promoter	March 31, 2024		March 31, 2023		% change during the year
	No of shares	% of total shares	No of shares	% of total shares	
Berhyanda Limited	12,75,39,592	50.10%	-	0.00%	100.00%
Jasti Property and Equity Holdings Private Limited *	-	-	15,27,30,000	60.00%	-100.00%
Venkateswarlu Jasti*	-	-	2,000	0.00%	-100.00%
Sudha Rani Jasti*	-	-	2,000	0.00%	-100.00%
Kalyani Jasti*	-	-	2,000	0.00%	-100.00%
Madhavi Jasti*	-	-	2,000	0.00%	-100.00%
Sirisha Jasti*	-	-	2,000	0.00%	-100.00%
	<b>12,75,39,592</b>	<b>50.10%</b>	<b>15,27,40,000</b>	<b>60.00%</b>	

\*Jasti Property and Equity Holdings Private Limited, promoter of the company had transferred 12,75,37,043 shares to M/s. Berhyanda Limited on September 29, 2023 & \*Jasti Property and Equity Holdings Private Limited and others are not promoters from September 29, 2023 but reclassification of the promoter is made on January 12, 2024.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## 10 (a) . 3(ii) Details of shares held by the promoter at the end of the year March 31, 2023

Name of the Promoter	March 31, 2023		March 31, 2022		% change during the year
	No of shares	% of total shares	No of shares	% of total shares	
Jasti Property and Equity Holdings Private Limited	15,27,30,000	60.00%	15,27,30,000	60.00%	-
Venkateswarlu Jasti	2,000	0.00%	2,000	0.00%	-
Sudha Rani Jasti	2,000	0.00%	2,000	0.00%	-
Kalyani Jasti	2,000	0.00%	2,000	0.00%	-
Madhavi Jasti	2,000	0.00%	2,000	0.00%	-
Sirisha Jasti	2,000	0.00%	2,000	0.00%	-
	<b>15,27,40,000</b>	<b>60.00%</b>	<b>15,27,40,000</b>	<b>60.00%</b>	

## 10(a).4 Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2024		March 31, 2023	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Berhyanda Limited	12,75,39,592	50.10%	-	-
Jasti Property and Equity Holdings Private Limited	2,51,90,408	9.90%	15,27,30,000	60%

**10(a).5** No shares have been allotted without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the reporting date

## 10(a).6 Details of shares reserved for issue under employee stock options (ESOP)

For details of shares reserved for issue under employee stock option(ESOP), refer Note 26.

## 10(b) Other equity

Particulars	March 31, 2024	March 31, 2023
Securities premium reserve	10,957.38	10,957.38
General reserve	12,427.67	12,427.67
Retained earnings	1,79,459.47	1,49,007.36
Share based payment reserve	199.45	-
<b>Total other equity</b>	<b>2,03,043.97</b>	<b>1,72,392.41</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## B. Nature and purpose of reserves

(c) Securities premium	The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. This reserve will be utilised in accordance with provisions of Section 52 of the Companies Act, 2013.
(d) General reserve	The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013
(e) Retained earnings	Retained earnings are the profits that the Company has earned to date, less any transfers to general reserve, dividends or other distributions to share holders.
(b) Shares based payment reserve	The share-based payments reserve is used to recognise the value of equity settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 26 for further details of these plans.

### (i) Securities premium reserve

Particulars	March 31, 2024	March 31, 2023
Opening balance	10,957.38	10,957.38
Additions during the period	-	-
<b>Closing Balance</b>	<b>10,957.38</b>	<b>10,957.38</b>

### (ii) General reserve

Particulars	March 31, 2024	March 31, 2023
Opening balance	12,427.67	10,927.67
Transferred from retained earnings	-	1,500.00
<b>Closing balance</b>	<b>12,427.67</b>	<b>12,427.67</b>

### (iii) Retained earnings

Particulars	March 31, 2024	March 31, 2023
Opening balance	1,49,007.36	1,27,638.62
Net profit for the year	30,481.61	43,260.25
Transferred to general reserve	-	(1,500.00)
Dividend paid	-	(20,365.20)
<b>Other comprehensive Income</b>	-	-
- Remeasurements of post employment benefit obligation, net of tax	(29.50)	(26.31)
<b>Closing balance</b>	<b>1,79,459.47</b>	<b>1,49,007.36</b>

### (iv) Share based payment reserve

Particulars	March 31, 2024	March 31, 2023
Opening balance	-	-
Provided during the year	199.45	-
<b>Closing balance</b>	<b>199.45</b>	-

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## (v) The details of distribution of dividend made are as under

For details of dividend paid & proposed refer Note: 29 (b)

### Note 11: Provisions

Particulars	March 31, 2024		March 31, 2023	
	Current	Non-Current	Current	Non-Current
Provision for employee benefits				
-Leave obligations/Compensated absences	295.98	927.63	264.21	786.52
-Gratuity	168.38	73.28	121.47	-
	<b>464.36</b>	<b>1,000.91</b>	<b>385.68</b>	<b>786.52</b>

## Employee Benefit Plans

### (i) Defined Contribution plans

Particulars	March 31, 2024	March 31, 2023
Provident Fund	670.55	570.66
<b>State Defined Contribution Plans</b>		
Employees State Insurance	3.24	6.20

### (ii) Defined Benefit plan

#### Gratuity

The Company provides for gratuity for employees in India as per the payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 day salary multiplied for the number of years of service. The plan is funded with Life Insurance Corporation in the form of a qualifying insurance policy. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments..

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>Balance as at April 01, 2022</b>	<b>1,676.72</b>	<b>1,418.37</b>	<b>258.35</b>
Current service cost	204.27	-	204.27
Interest expense/(income)	117.73	113.13	4.60
<b>Total</b>	<b>1,998.72</b>	<b>1,531.50</b>	<b>467.22</b>
Remeasurements			
- Experience adjustments	51.53	-	51.53
- Financials assumptions	(28.24)	-	(28.24)
Return on plan assets (excluding Interest Income)	-	(11.87)	11.87
Experience (gains)/loss	-	-	-
<b>Total</b>	<b>2,022.01</b>	<b>1,519.62</b>	<b>502.38</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
Employer contributions	-	250.00	(250.00)
Benefit payments	(141.13)	-	(141.13)
Others	-	(10.22)	10.22
Interest adjustment	-	-	-
<b>Balance as at March 31, 2023</b>	<b>1,880.87</b>	<b>1,759.40</b>	<b>121.47</b>
<b>Balance as at April 01, 2023</b>	<b>1,880.87</b>	<b>1,759.40</b>	<b>121.47</b>
Current service cost	225.13	-	225.13
Interest expense/(income)	135.69	132.12	3.57
<b>Total</b>	<b>2,241.69</b>	<b>1,891.52</b>	<b>350.17</b>
Remeasurements			
- Experience adjustments	(6.45)	-	(6.45)
- Financials assumptions	48.68	-	48.68
Return on plan assets (excluding Interest Income)	-	2.81	(2.81)
Experience (gains)/loss	-	-	-
<b>Total</b>	<b>2,283.92</b>	<b>1,894.33</b>	<b>389.58</b>
Employer contributions	-	-	-
Benefit payments	(148.10)	(0.18)	(147.92)
Others	-	-	-
Interest adjustment	-	-	-
<b>Balance as at March 31, 2024</b>	<b>2,135.82</b>	<b>1,894.15</b>	<b>241.67</b>

### Reconciliation of liability

Particulars	March 31, 2024	March 31, 2023
Present value of obligation as at the beginning of the year	1,880.87	1,676.72
Interest cost	135.69	117.73
Past service cost - (Vested benefits)	-	-
Current service cost	225.13	204.27
Benefits paid	(148.10)	(141.13)
Increase / (Decrease) due to effect of any business combination / divesture / transfer)	-	-
Increase / (Decrease) due to plan combination	-	-
Financial assumptions	48.68	(28.24)
Actuarial (gain)/loss on obligation	(6.45)	51.53
<b>Present value of obligation as at the end of the year</b>	<b>2,135.82</b>	<b>1,880.87</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## Reconciliation of plan assets

Particulars	March 31, 2024	March 31, 2023
Fair value at beginning	1,759.40	1,418.37
Interest income	132.12	113.13
Employers contribution	-	250.00
Benefit payments from plan assets	(0.18)	-
Return on plan assets	2.81	(11.87)
Adjustment to opening balance, other expenses & Increase/ Decrease due to plan combination	-	(10.22)
<b>Fair value at the End</b>	<b>1,894.15</b>	<b>1,759.40</b>

## Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	March 31, 2024	March 31, 2023
Discount rate	7.23%	7.51%
Salary growth rate	9.00%	9.00%
Attrition rate	6.50%	6.50%
Average future service	20.52	21.84
Mortality rate IALM (2012-14) Ultimate)	100%	100%
Retirement age	58 Years	58 Years

## (iv) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Discount rate	1%	1%	1,970.33	1,736.28	2,326.43	2,047.39
Salary growth rate	1%	1%	2,304.96	2,031.06	1,978.54	1,742.03
Attrition rate	1%	1%	2,117.50	1,867.01	2,156.32	1,896.40

Expected cash flows over the next (valued on undiscounted basis):	Amount
1 year	170.09
2 to 5 Years	773.21
More than 6 years	3,571.28

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

## (v) Best estimate of Contribution during the next year

The recommended contribution is minimum of net liability (Defined Benefit obligation - Fund balance as at valuation date) = ₹241.66 Lakhs or 8.33% of the wage bill

## Discontinuance Liability

Amount payable upon discontinuance of all employment is ₹1,701.27 Lakhs

## (vi) Risk exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

**Asset Volatility:** The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets under perform this yield, this will create a deficit. Most of the plan asset investments are in fixed income securities with high grades and in government securities. A portion of the fund is invested in equity securities and in alternative investments which have low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit. The company has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The company intends to maintain the investment mix in the continuing years.

**Changes in bond yields:** A decrease in bond yields will increase plan liabilities, although this will be partially off-set by an increase in the value of the plan's bond holdings.

**Inflation risk:** In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk.

**Life expectancy:** The pension obligation are to provide benefits for the life of the member, so increase in life expectancy will result in an increase in the plan's liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

The company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long term investments that are in line with the obligations under the employee benefit plans. Within this framework, the company's ALM objective is to match the assets to the pension obligations by investing in long term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

The company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The company has not changed the processes used to manage its risks from previous periods.

A large portion of assets in 2023-24 consists of government and corporate bonds, although the company also invests in equities, cash and mutual funds. The company believes that equities offer the best returns over the long term with an acceptable level of risk. The majority of equities are in a globally diversified portfolio of international blue chip entities,

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

with a target of 60% equities held in India. The plan asset mix is in compliance with the requirements of the respective local regulations.

**Interest Rate :** A decrease in bond yields will increase plan liabilities, although this will be partially off-set by an increase in the value of the plan's bond holdings.

**Investment Risk:** If actual return on plan assets is below this rate, it will create a plan deficit.

**Salary Risk:** Higher than expected increase in salaries increases the defined benefit obligations.

**Demographic Risk:** The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plans liability.

## Other Long term benefit plans

### Disclosures relating to Compensated Absences

The Company provides for accumulation of compensated absences in respect of certain categories of employees. These employees can carry forward a portion of the unutilized compensated absences and utilize them in future periods or receive cash in lieu thereof as company policy

Actuarial valuation for compensated absences is done as at the year end and provision is made as per company policy with corresponding (gain) / Charge to the statement of profit and loss amounting to ₹686.42 Lakhs (March 31, 2023 : ₹379.03 Lakhs)

### Note 12: Deferred tax assets /(liabilities)

The balances comprises temporary differences attributable to:

Particulars	March 31, 2024	March 31, 2023
Employee benefits	250.69	137.82
Other items	81.77	-
Lease liabilities	33.84	2.32
<b>Total Deferred tax assets</b>	<b>366.30</b>	<b>140.14</b>
<b>Set-off of deferred tax liabilities pursuant to set-off provisions</b>		
- Property, plant and equipment	4,143.08	4,067.50
- Mutual Fund Investments-Debt	823.12	237.08
- Mutual Fund Investments-Equity	213.84	-
<b>Total deferred tax liabilities</b>	<b>5,180.04</b>	<b>4,304.58</b>
<b>Total deferred tax assets/(liabilities) (net)</b>	<b>(4,813.73)</b>	<b>(4,164.45)</b>



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## Movement in Deferred tax assets /(liabilities)

Particulars	Balance as at March 31, 2023	Recognised in Profit & loss	Recognised in OCI	Balance as at March 31, 2024
Employee benefits	137.82	102.95	9.92	250.69
Other items	-	81.77	-	81.77
Lease liabilities	2.32	31.52	-	33.84
<b>Total Deferred tax assets</b>	<b>140.14</b>	<b>216.24</b>	<b>9.92</b>	<b>366.30</b>
<b>Set-off of deferred tax liabilities pursuant to set-off provisions</b>				
- Property, plant and equipment	4,067.50	75.58	-	4,143.08
- Mutual Fund Investments-Debt	237.08	586.03	-	823.12
- Mutual Fund Investments-Equity	-	213.84	-	213.84
<b>Total deferred tax liabilities</b>	<b>4,304.58</b>	<b>875.45</b>	<b>-</b>	<b>5,180.04</b>
<b>Total</b>	<b>(4,164.44)</b>	<b>(659.21)</b>	<b>9.92</b>	<b>(4,813.74)</b>

## Movement in Deferred tax assets /(liabilities)

Particulars	Balance as at March 31, 2022	Recognised in Profit & loss	Recognised in OCI	Balance as at March 31, 2023
Employee benefits	138.28	(9.31)	8.85	137.82
Other items	5.48	(5.48)	-	-
Lease liabilities	3.73	(1.41)	-	2.32
<b>Total Deferred tax assets</b>	<b>147.49</b>	<b>(16.20)</b>	<b>8.85</b>	<b>140.14</b>
<b>Set-off of deferred tax liabilities pursuant to set-off provisions</b>				
- Property, plant and equipment	3,793.02	274.48	-	4,067.50
- Mutual Fund Investments-Debt	94.01	143.07	-	237.08
- Mutual Fund Investments-Equity	-	-	-	-
<b>Total deferred tax liabilities</b>	<b>3,887.03</b>	<b>417.55</b>	<b>5</b>	<b>4,304.58</b>
<b>Total</b>	<b>(3,739.54)</b>	<b>(433.75)</b>	<b>8.85</b>	<b>(4,164.44)</b>

## 13(a) Non-current borrowings

Particulars	March 31, 2024	March 31, 2023
<b>Secured</b>		
<b>Foreign currency loans from bank</b>		
FCNR(B) Term loan from State Bank of India	-	456.42
<b>Total non-current borrowings</b>	<b>-</b>	<b>456.42</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## 13(b) Current borrowings

Particulars	March 31, 2024	March 31, 2023
<b>Secured</b>		
<b>Foreign currency loans from banks, repayable on demand</b>		
Working capital loans from State Bank of India (Refer Note (i) below)	2,961.00	3,494.35
Working capital loans from Bank of Bahrain & Kuwait (Refer Note (i) below)	896.53	965.43
<b>Foreign currency loans from bank</b>		
FCNR(B) Term loan from State Bank of India (Refer Note (ii) below)	-	2,000.00
<b>Total current borrowings</b>	<b>3,857.53</b>	<b>6,459.78</b>

### Notes:

#### a. Details of Current Borrowings

##### (i). Terms of the borrowings

Current borrowings are availed in foreign currency. All secured working capital loans are packing credit foreign currency loans secured by hypothecation on stocks, Receivables and Other current assets of the company and second charge on fixed assets at Pashamylaram and FDC units of the company. Interest rate 3 / 6 M SOFR + 80 bps i.e 6.26% p.a with monthly rest charged by State bank of India and 3 / 6 M SOFR + 125 bps i.e 6.71 % by Bank of Bahrain & Kuwait.

##### (ii) Rate of Interest, Nature of security and Terms of repayment of Term Loan:

The loan is secured by Mortgage of land and building and plant and machinery embedded to earth, Hypothecation of movable fixed assets like furniture, computers etc. Situated at Pashamylaram unit and FDC Block. Interest rate being MCLR - 6M + 150 bps, present effective rate being 9.90%.p.a with monthly rests. Interest will be reset every six months. FCNR(B) - 6M LIBOR/SOFAR + 200 bps (for a period of six months). Term loan is repayable in 20 equal quarterly installments starting from June 2021.

The Company has used the borrowings for the purposes for which it was taken

The quarterly returns of current assets filed by the Company with banks are in agreement with the books of account.

## 13(c) Trade payables

Particulars	March 31, 2024	March 31, 2023
Total outstanding dues of micro enterprises and small enterprises (Refer Note below)	1,705.15	1,383.26
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,421.71	5,305.85
<b>Total trade payables</b>	<b>4,126.86</b>	<b>6,689.11</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## Ageing for trade payables - Outstanding as at March 31, 2024 is as follows :

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
(i) MSME	1,690.59	14.56	-	-	-	1,705.15
(ii) Others	1,953.79	467.92	-	-	-	2,421.71
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
<b>Balance at the end of the year</b>	<b>3,644.39</b>	<b>482.47</b>	-	-	-	<b>4,126.86</b>

## Ageing for trade payables - Outstanding as at March 31, 2023 is as follows :

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
(i) MSME	1,348.31	34.96	-	-	-	1,383.26
(ii) Others	4,028.78	1,275.89	1.18	-	-	5,305.85
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
<b>Balance at the end of the year</b>	<b>5,377.09</b>	<b>1,310.84</b>	<b>1.18</b>	-	-	<b>6,689.11</b>

## Dues to micro and small enterprises:

With the promulgation of the Micro, Small and Medium Enterprises Development Act, 2006, the Company is required to identify Micro and Small Suppliers and pay them interest on overdue beyond the specified period irrespective of the terms with the suppliers. The Company has circulated letter to all suppliers seeking their status. Response from few suppliers has been received and is still awaited from other suppliers. In view of this, the liability of interest calculated and the required disclosures made, in the below table, to the extent of information available with the Company.

Particulars	March 31, 2024	March 31, 2023
Principal amount remaining unpaid to any supplier as at the end of the accounting year	1,704.36	1,382.03
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.79	1.23
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to small enterprises	-	-
<b>Total</b>	<b>1,705.15</b>	<b>1,383.26</b>

(Refer Note 28 for the company's liquidity risk management process)

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## 13(d) Other financial liabilities

Particulars	March 31, 2024	March 31, 2023
Current		
Capital creditors	379.30	750.58
Unclaimed dividend on equity shares *	101.82	105.72
Employee payables	393.46	666.32
<b>Total other current financial liabilities</b>	<b>874.58</b>	<b>1,522.62</b>

\* As at March 31, 2024, there has been no amount due and outstanding to be transferred to IEPF (Investor Education and Protection Fund)

## Note 14: Current tax asset (net)

Particulars	March 31, 2024	March 31, 2023
Advance Tax Paid	10,899.02	14,432.15
Less: Provision for income tax	9,814.26	14,462.57
<b>Total current tax asset / (liability)</b>	<b>1,084.76</b>	<b>(30.41)</b>

## Note 15: Other current liabilities

Particulars	March 31, 2024	March 31, 2023
Contract liabilities	68.87	80.77
Statutory liabilities	276.96	201.34
Liability towards Corporate Social Responsibility (Refer Note-24(b))	356.00	-
<b>Total other current liabilities</b>	<b>701.83</b>	<b>282.11</b>

## Note 16: Revenue from operations

Particulars	March 31, 2024	March 31, 2023
<b>Revenue from contracts with customers</b>		
Sale of products	97,420.95	1,28,384.89
Sale of services	3,527.65	3,701.21
	<b>1,00,948.60</b>	<b>1,32,086.11</b>
<b>Other operating revenue</b>		
RoDTEP Incentive*	624.50	-
Duty drawback received	926.22	921.87
	<b>1,550.72</b>	<b>921.87</b>
	<b>1,02,499.32</b>	<b>1,33,007.98</b>

\*Incentive in the form of duty credit scrip upon sale of exports under Merchandise Exports from India Scheme and RODTEP under Foreign Trade Policy of India



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## (a) Reconciliation of revenue from sale of products with contracted price

Particulars	March 31, 2024	March 31, 2023
Contracted price	97,421.68	1,28,500.74
Less:		
i) Sales returns	0.73	115.85
ii) Discounts and rebates	-	-
<b>Revenue from Contracts with Customers</b>	<b>97,420.95</b>	<b>1,28,384.89</b>

## (b) Disaggregation of Revenue based on location of customer

Region	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Related party	Non related party	Related Party	Non related Party
USA	-	12,867.72	-	7,314.12
Europe	-	73,622.83	-	1,16,177.39
India	492.93	8,421.33	614.27	1,979.08
Rest of the world	-	5,543.79	-	6,001.26
<b>Total</b>	<b>492.93</b>	<b>1,00,455.67</b>	<b>614.27</b>	<b>1,31,471.84</b>

## Details of deferred revenue

Particulars	March 31, 2024	March 31, 2023
Balance at the beginning	6,806.06	980.07
Add: Increase due to invoicing during the year	1,658.60	6,806.06
Less: Revenue recognised during the year	6,806.06	980.07
<b>Balance at the end of the year</b>	<b>1,658.60</b>	<b>6,806.06</b>
<b>Expected revenue recognition from remaining performance obligations</b>		
-with in one year (Current)	1,658.60	6,806.06
-more than one year (Non current)	-	-

## Contract Balances

Particulars	March 31, 2024	March 31, 2023
Trade receivables (Refer Note-6(d))	12,696.83	10,966.45
Contract liabilities (Refer Note-15)	68.87	80.77

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## Note 17: Other income

Particulars	March 31, 2024	March 31, 2023
Interest income		
On Security and other deposits carried at amortised cost	6.81	-
On fixed deposits carried at cost	12.22	8.51
On debentures carried at cost	83.92	493.62
Others	97.30	69.88
Other non operative income		
Liabilities no longer required written back	3.22	5.19
Facility charges	102.57	99.42
Foreign exchange gain (Net)	792.29	2,127.54
Fair value gain on financial assets measured at FVTPL	4,380.04	1,421.05
Miscellaneous Income	30.91	230.01
	<b>5,509.29</b>	<b>4,455.20</b>

## Note 18: Cost of materials consumed

Particulars	March 31, 2024	March 31, 2023
Raw materials		
Raw material at the beginning of the year	7,609.53	7,182.71
Purchases during the year	20,892.78	41,946.57
Less: Raw Material at the end of the year	4,028.46	7,609.53
	<b>24,473.85</b>	<b>41,519.75</b>
Packing materials		
Packing material at the beginning of the year	368.91	255.25
Purchases during the year	388.48	730.16
Less: Packing material at the end of the year	392.80	368.91
	<b>364.59</b>	<b>616.49</b>
	<b>24,838.44</b>	<b>42,136.24</b>

## Note 19: Changes in inventories of work-in-progress and finished goods

Particulars	March 31, 2024	March 31, 2023
<b>Opening balance:</b>		
Work-in-progress	11,348.32	13,175.05
Finished goods	9,913.54	5,992.39
<b>Total opening balance</b>	<b>21,261.87</b>	<b>19,167.44</b>
<b>Closing balance:</b>		
Work-in-progress	10,062.44	11,348.32
Finished goods	5,811.47	9,913.54
<b>Total closing balance</b>	<b>15,873.91</b>	<b>21,261.87</b>
	<b>5,387.96</b>	<b>(2,094.42)</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## Note 20: Manufacturing expenses

Particulars	March 31, 2024	March 31, 2023
Power and fuel	4,616.02	7,135.30
Consumption of stores & spares	280.59	194.35
Factory maintenance expenses	3,703.19	4,101.64
Environment management expenses	942.72	2,041.19
Safety expenses	137.03	115.96
Quality control expenses	1,590.11	1,902.90
Repairs and maintenance:		
Buildings	23.56	32.37
Plant and machinery	1,484.56	1,640.89
	<b>12,777.79</b>	<b>17,164.59</b>

## Note 21: Employee benefits expense

Particulars	March 31, 2024	March 31, 2023
Salaries, wages & Bonus	11,270.77	9,735.22
Contribution to provident & other funds	684.86	630.62
Gratuity expense (Refer Note-11)	228.70	208.87
Staff welfare expenses	304.06	283.40
Employee compensation Expense (Refer Note-26)	199.45	-
	<b>12,687.84</b>	<b>10,858.10</b>

## Note 22: Finance cost

Particulars	March 31, 2024	March 31, 2023
Interest expense		
On borrowings	286.68	525.34
On bill discount	284.08	662.76
On lease liability	124.02	12.60
On MSME	0.79	1.23
Other Borrowing cost	47.08	72.86
	<b>742.66</b>	<b>1,274.79</b>

## Note 23: Depreciation and amortisation expense

Particulars	March 31, 2024	March 31, 2023
Depreciation of property, plant and equipment (Refer Note 3)	4,559.23	4,150.31
Amortisation of intangible assets (Refer Note 4)	40.98	40.09
Depreciation of right of use asset (Refer Note 5)	269.66	119.46
Amortisation of prepaid rent	9.31	-
	<b>4,879.18</b>	<b>4,309.86</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## Note 24: Other expenses

Particulars	March 31, 2024	March 31, 2023
Rent	87.27	-
Rates and taxes	49.20	36.47
Insurance	951.82	857.94
Communication charges	56.37	43.75
Travelling and conveyance	881.28	802.52
Printing and stationery	33.74	33.00
Vehicle maintenance	22.79	29.56
Legal & professional charges	389.57	457.88
Payments to auditors (Refer Note 24 (a) below)	47.08	41.86
Security charges	331.61	311.78
Repairs and maintenance - others	157.21	166.94
Loss on sale of property, plant and equipment	6.75	0.65
Corporate Social Responsibility (Refer Note 24 (b) below)	1,134.12	989.23
Sales promotion	347.75	330.76
Clearing and forwarding	487.46	1,273.61
Commission on Sales	199.45	138.21
Merger expenses*	322.43	-
General expenses	311.42	360.51
	<b>5,817.32</b>	<b>5,874.69</b>

## Note 24(a): Details of payments to auditors

Particulars	March 31, 2024	March 31, 2023
<b>Payment to auditors</b>		
<b>As auditor:</b>		
(i) Statutory auditor fees	25.00	25.00
(ii) Tax audit fees	6.50	6.50
(iii) Other services	12.85	8.50
(iv) Re-imbursment of out -of- pocket expenses	2.73	1.86
(v) Other certifications for merger*	10.00	-
	<b>57.08</b>	<b>41.86</b>

\*Expenses pertaining to merger certifications from auditors are included in merger expenses under other expenses.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## Note 24(b): Corporate social responsibility expenditure

Particulars	March 31, 2024	March 31, 2023
Amount required to be spent as per section 135 of the Act	1,134.12	989.23
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purpose other than (i) above	778.12	989.23
-Shortfall at the end of the year*	356.00	-
-Total of previous years shortfall	-	-

### Reason for shortfall

\*Two ongoing projects, Developing a Chemistry Laboratory and Upgradation of Schools, are classified as such due to infrastructure creation/refurbishment timelines exceeding one year. The total allocation of ₹356 lakhs remains unspent due to the ongoing nature of the projects and has been transferred to Unspent CSR account.

### Nature of CSR Activities

Promoting education and skill development initiatives, community development initiatives, national heritage and development programs and other social and research/ development projects.

## Note 25: Income tax expense

This note provides an analysis of the company's income tax expense, show amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the company's tax positions.

Particulars	March 31, 2024	March 31, 2023
<b>(a) Income tax expense</b>		
<b>Current tax</b>		
Current tax on profits for the year	9,814.26	14,462.57
Adjustments for current tax of prior periods	(77.64)	(217.23)
<b>Total current tax expense</b>	<b>9,736.61</b>	<b>14,245.33</b>
<b>Deferred tax</b>		
Decrease(increase) in deferred tax assets	-	-
Increase(decrease) in deferred tax liabilities	649.29	424.9
<b>Total Deferred tax expense/(benefit)</b>	<b>649.29</b>	<b>424.9</b>
<b>Income tax expense</b>	<b>10,385.90</b>	<b>14,670.23</b>
<b>Income tax expense is attributable to:</b>		
<b>Profit from operations</b>	<b>10,385.90</b>	<b>14,670.23</b>



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## (b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	March 31, 2024	March 31, 2023
Profit from operations before income tax expenses	40,877.43	57,939.33
<b>Tax at the Indian tax rate of 25.168%</b>	<b>10,288.03</b>	<b>14,582.17</b>
<b>Computed expected tax expense:</b>		
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</b>		
CSR expenditure	285.44	248.97
Profit on sale of asset	-	-
Variable pay	55.12	-
Loss on sale of assets	1.70	0.16
Interest on Income tax	-	68.42
Interest on MSMED	0.20	0.31
<b>Income tax paid at special rate</b>		
Royalty	(33.56)	(12.38)
Equity MF	(131.15)	-
Impact of WDV change	-	-
Prior year taxes	(77.64)	(217.23)
Others	(2.22)	(0.19)
<b>Income tax expenses</b>	<b>10,385.90</b>	<b>14,670.23</b>

## Note 26: Share based payments

### A. Employees Stock Option Plan (ESOP 2023)

The Company instituted an Employee Stock Option Scheme 2023 ("ESOP") to eligible employees which provides for a grant of 65.94 Lac options (each option convertible into 1 equity share based on MoM matrix) to employees. Grant date of option is 27 February 2024 .

#### Terms of options

Vesting period : based on vesting schedule as set out in letter of grant though service period shall be minimum 1 year and not latter than 10 years from date of grant.

<b>Grant date</b>	<b>27-Feb-24</b>
Exercise price	495
No. of Options	Minimum- 15,28,942 Maximum- 65,94,308
Exercise period	Maximum period of 3 years from the date of Vesting.
Method of settlement (cash/equity)	Equity shares

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

The fair value of the share options is estimated at the grant date using Monte Carlo Simulation Pricing ("MCS") method, taking into account the terms and conditions upon which the share options were granted

**The details of the activity under the scheme has been summarised below:**

Description	March 31, 2024	March 31, 2023
Outstanding at the beginning of the year	-	-
Exercisable at the beginning of the year	-	-
Granted during the year *	65,94,308	-
Forfeited/expired during the year	-	-
Exercised during the year	-	-
Vested during the year	-	-
Outstanding at the end of the year	65,94,308	-
Exercisable at the end of the year	-	-
Weighted average remaining contractual life (in years)	5.50 years	-

\*Considering variable number of options, the maximum number of options are taken.

## Valuation of ESOP Scheme

The Monte Carlo Simulation Pricing ("MCS") method has been used for computing the fair value for stock options considering the following inputs:

Particulars	March 31, 2024	March 31, 2023
Weighted average share price/ market price per share (INR per share)	664.55	NA
Exercise price (INR per share)	495	NA
Dividend yield	0.00%	NA
Expected Life of options granted	5.50 years	NA
Average risk free interest rate	10%	NA
Expected Volatility	22.30%	NA
Fair value of option per equity share	226.96	NA

## B. Effect of employee stock option plan on the Statement of Profit and Loss and on its financial position

Particulars	March 31, 2024	March 31, 2023
Total employee compensation cost pertaining to stock option plan	199.45	-
Employee Stock option plan (ESOP) reserve	199.45	-

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## Financial instruments and risk management

### Note 27: Fair value measurements

Particulars	March 31, 2024		March 31, 2023	
	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial assets</b>				
Investments				
-Equity investment	7.05	31,713.96	7.05	31,713.96
-Mutual funds and debentures	76,744.99	-	35,181.59	4,103.34
Trade receivables	-	12,696.83	-	10,966.45
Loans	-	83.83	-	21.54
Security deposits	-	977.94	-	591.19
Cash and cash equivalents	-	1,831.34	-	4,302.13
Bank balances	-	101.82	-	105.72
Fixed deposits with banks and interest thereon	-	224.95	-	215.40
<b>Total financial assets</b>	<b>76,752.04</b>	<b>47,630.67</b>	<b>35,188.64</b>	<b>52,019.75</b>
<b>Financial liabilities</b>				
Borrowings	-	3,857.53	-	6,916.19
Unpaid dividends	-	101.82	-	105.72
Employees payable	-	393.46	-	666.32
Trade payables	-	4,126.86	-	6,689.11
Capital creditors	-	379.30	-	750.58
Lease liability	-	2,642.11	-	117.88
<b>Total financial liabilities</b>	<b>-</b>	<b>11,501.08</b>	<b>-</b>	<b>15,245.81</b>

The management assessed that cash and cash equivalents, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Further, the management has assessed the fair value of borrowings approximates their carrying amounts largely since they are carried at floating rate of interest. 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.

#### (i) Fair value hierarchy

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

Level 1: Level 1 hierarchy includes quoted prices taken from the market.

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

Level 3: Inputs are not based on observable market data (unobservable inputs).

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Financial assets measured at fair value	Notes	Level 1	Level 2	Level 3	Total
<b>As at March 31, 2024</b>					
<b>Financial assets</b>					
Investment in Equity	6(a)(i)	-	-	7.05	7.05
Investment in mutual funds and Debentures	6(a)(ii)	76,744.99	-	-	76,744.99
<b>Total financial assets</b>		<b>76,744.99</b>	<b>-</b>	<b>7.05</b>	<b>76,752.04</b>

Financial assets measured at fair value	Notes	Level 1	Level 2	Level 3	Total
<b>As at March 31, 2023</b>					
<b>Financial assets</b>					
Investment in Equity	6(a)(i)	-	-	7.05	7.05
Investment in mutual funds and Debentures	6(a)(ii)	35,181.59	-	-	35,181.59
<b>Total financial assets</b>		<b>35,181.59</b>	<b>-</b>	<b>7.05</b>	<b>35,188.64</b>

## Note 28: Financial Risk management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports to the board of directors on its activities.

Risk	Exposure arising from	Measurement	Management Comment
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortized cost	Ageing analysis	Diversification of bank deposits and monitoring of credit limits of customers
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Future commercial transactions recognised financial assets and liabilities not denominated in Indian rupees	Cash flow forecasting Sensitivity analysis	All USD related Import commitment are covered by snapping from the export USD through EEFC account
Market risk - interest risk	Long-term borrowings at variable rates	Sensitivity analysis	Interest rates were Libor plus rate of interest fixed for the full term of the loan
Market risk - security prices	Investments in Mutual funds	Sensitivity analysis	Portfolio diversification

The Company's risk management is carried out by the management. Company treasury identifies, evaluates and hedges financial risk in close cooperation with the Company's operating units. The management provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk, and investment of excess liquidity.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## (A) Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

### i) Financial instruments and cash deposits

For banks and financial institutions, only high rated banks/ institutions are accepted. Other Financial assets (excluding Bank deposits) majorly constitute deposits given to State electricity departments for supply of power, which the company considers to have negligible credit exposure. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

### ii) Expected credit loss for trade receivables under simplified approach

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables

#### Year ended March 31, 2024

Ageing	0-30 days	31-60 days	61-90 days	91-120 days	More than 120 days	Total
Gross carrying amount	4,132.66	5,244.28	3,307.98	-	11.91	12,696.83
Expected loss rate	0%	0%	0%	0%	0%	0%
Expected credit losses(loss allowance provision)	-	-	-	-	-	-
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>4,132.66</b>	<b>5,244.28</b>	<b>3,307.98</b>	<b>-</b>	<b>11.91</b>	<b>12,696.83</b>

#### Year ended March 31, 2023

Ageing	0-30 days	31-60 days	61-90 days	91-120 days	Morethan 120 days	Total
Gross carrying amount	3,081.99	4,675.60	692.15	1,585.62	931.09	10,966.45
Expected loss rate	0%	0%	0%	0%	0%	0%
Expected credit losses (loss allowance provision)	-	-	-	-	-	-
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>3,081.99</b>	<b>4,675.60</b>	<b>692.15</b>	<b>1,585.62</b>	<b>931.09</b>	<b>10,966.45</b>

## (B) Liquidity Risk:

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to dynamic nature of the underlying business, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the company in accordance with practice and limits set by the company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The table below summarises the maturity profile of the Company financial liabilities based on contractual undiscounted payments.

Year ended March 31, 2024	On Demand	< 12 months	>1 year	Total
(i) Borrowings	3,857.53	-	-	3,857.53
(ii) Trade payables	-	4,126.86	-	4,126.86
(iii) Other financial liabilities	495.28	379.30	-	874.58
	<b>4,352.81</b>	<b>4,506.16</b>	-	<b>8,858.96</b>

Year ended March 31, 2023	On Demand	< 12 months	>1 year	Total
(i) Borrowings	4,459.78	2,000.00	456.42	6,916.19
(ii) Trade payables	-	6,689.11	-	6,689.11
(iii) Other financial liabilities	772.04	750.58	-	1,522.62
	<b>5,231.81</b>	<b>9,439.69</b>	<b>456.42</b>	<b>15,127.92</b>

## C) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk and interest rate risk.

### (i) 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 appreciates relative to these foreign currencies, the Company's revenues and expenses measured in Indian rupees may decrease exchange rates in respect of its highly probable forecasted transactions and recognised assets and liabilities

#### (a) Foreign currency risk exposure:

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows:

Particulars	As at March 31, 2024	
	USD	EUR
<b>Financial assets</b>		
Cash and cash equivalents	220.81	-
Trade receivables(Net)	12,586.76	-
<b>Financial liabilities</b>		
Borrowings	3,857.53	-
Trade payables(Net)	311.07	-
Other financial liabilities	153.86	-

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	
	USD	EUR
<b>Financial assets</b>		
Cash and cash equivalents	1,491.88	-
Trade receivables	10,717.09	155.16
<b>Financial liabilities</b>		
Borrowings	6,916.19	-
Trade payables(Net)	2,026.95	-
Other financial liabilities	27.76	-

## D) Market risk - interest risk

### (ii) Cash flow and fair value interest rate risk

The company's main interest rate risk arises from long-term borrowings with variable rates, which expose the company to cashflow interest rate risk.

#### (a) Interest rate risk exposure

The exposure of the company's borrowings to interest rate changes at the end of the reporting period are as follows:

Particulars	March 31, 2024	March 31, 2023
Variable rate borrowings	3,857.53	6,916.19
Fixed rate borrowings	-	-
<b>Total borrowings</b>	<b>3,857.53</b>	<b>6,916.19</b>

#### (b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of increase/decrease in the fair value of cash flow hedges related to the borrowings if any

Particulars	Impact on Profit after tax		Impact on Other components of equity	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Interest rates-increase by 100 basis points	135.99	502.02	-	-
Interest rates-decrease by 100 basis points	97.40	299.86	-	-

## Note 29: Capital management

### (a) Risk management

The Company's objective when managing capital are to:

1. Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
2. Maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratio: -Net debt (total borrowings net of cash and cash equivalents) divided by total equity (as shown in the balance sheet)

Particulars	March 31, 2024	March 31, 2023
Net Debt	2,026.19	2,614.06
Total Equity	2,05,589.62	1,74,938.06
Net Debt to Equity ratio	0.01	0.01

## (b) Dividends distributions made and proposed (on equity instruments)

Particulars	March 31, 2024	March 31, 2023
(i) Cash dividends on Equity shares declared and paid		
Final dividend for the FY 2023-24 of ₹0.00 (FY 2022-23 of ₹2.00) per fully paid share	-	5,091.30
Interim dividend for the FY 2023-24 of ₹0.00 (FY 2022-23 of ₹6.00) per fully paid share	-	15,273.90
<b>Total</b>	<b>-</b>	<b>20,365.20</b>

## Note 30: Segment information

### Business Segment

Segments have been identified and reported taking into account the nature of products, the differing risk and returns, the organisation structure, and the internal financial reporting scheme. The company has identified the following segments as its reportable segments:

- Manufacturing (CRAMS) - Bulk Drugs & Intermediates under contract services products are developed and produced on an exclusive basis under contract Manufacturing services

As the Company has identified single operating segment i.e. Manufacturing (CRAMS) - Bulk Drugs & Intermediates & Services. Therefore analysis business segment is not required.

### Geographical Segment

The Company has identified the following geographical reportable segments:

- India-The Company sells Bulk Drugs and Intermediates, Fine Chemicals & Services.
- USA -The Company sells Intermediates & Services
- Europe-The Company sells Bulk Drugs and Intermediates
- Rest of the world -The Company sells Bulk Drugs, Intermediates & Services

Region	Revenue for the year ended		Value of Non Current Assets (Except Financial Instrument) as at		Additions to Non current Assets (Except Financial Instrument) during the year	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
INDIA	8,914.25	2,593.35	70,456.19	68,000.07	8,228.72	17,494.31
U S A	12,867.72	7,314.12	3.45	6.88	-	5.11
EUROPE	73,622.83	1,16,177.39	-	-	-	-
REST OF THE WORLD	5,543.79	6,001.26	-	-	-	-
	<b>1,00,948.60</b>	<b>1,32,086.11</b>	<b>70,459.65</b>	<b>68,006.94</b>	<b>8,228.72</b>	<b>17,499.41</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## Note 31: Interest in other Entities

The Company's subsidiaries as at March 31, 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Company

Name of the entity	Place of Business/ Country of incorporation	Ownership interest held by the Company		Ownership interest held by Non-Controlling interests		
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	Principal activity
Suven Pharma Inc.,	USA	100%	100%	-	-	
Casper Pharma Private Limited	INDIA	100%	100%	-	-	

## Note 32: Disclosure of Related Party Transactions in accordance with Ind AS - 24 Related Party Disclosures

### (i) Name of the Related Party and description of Relationship

<b>(a) Ultimate holding company</b>	: Advent group (w.e.f September 29, 2023)	
<b>(b) Promoter</b>	: Berhyanda Limited (w.e.f September 29, 2023)	
	: Jasti Property and Equity Holdings Private Limited (till January 12, 2024)*	
<b>(c) Subsidiaries</b>	: Suven Pharma Inc.,	
	: Casper Pharma Private Limited	
<b>(d) Enterprise over which key managerial personnel or their relatives exercise significant influence</b>	: Suven Life Sciences Limited (till January 12, 2024)**	
	: Suven Neurosciences Inc., (till January 12, 2024)**	
	: Cohance Lifesciences Limited (w.e.f September 29, 2023)	
<b>(e) Key Management personnel(KMP)</b>	: Mr. Annaswamy Vaidheesh (w.e.f September 29, 2023)	Chairman
	: Mr. Venkatanaga Kali Vara Prasada Raju Vetukuri (w.e.f September 29, 2023)	Managing Director
	: Mr. Sudhir Kumar Singh (w.e.f September 29, 2023)	CEO
	: Mr. Himanshu Agarwal (w.e.f January 2, 2024)	CFO
	: Mr. Pankaj Patwari (w.e.f September 29, 2023)	Non-executive Director
	: Mrs. Shweta Jalan (w.e.f November 9, 2023)	Non-executive Director
	: Mr. Vinod Rao (w.e.f September 29, 2023)	Independent Director
	: Mr. Kumarapuram Gopalakrishnan Ananthakrishnan (w.e.f September 29, 2023)	Independent Director
	: Mr. Matangi Gowrishankar (w.e.f September 29, 2023)	Independent Director
	: Mr. Pravin Udhayavara Bhadya Rao (w.e.f November 9, 2023)	Independent Director
	: Mr. Venkateswarlu Jasti (till January 12, 2024)*	Managing Director
	: Mr. P. Subbarao (till January 2, 2024)	CFO
	: Mr. D. G. Prasad (till September 29, 2023)	Independent Director
	: Dr. V Sambasiva Rao (till September 29, 2023)	Independent Director
	: Ms. Deepanwita Chattopadhyay (till September 29, 2023)	Independent Director
	: Mr. J. V. Ramudu (till September 29, 2023)	Non-executive Director
	: Dr. Jerry Jeyasingh (till September 29, 2023)	Non-executive Director

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

<b>(f) Relative of Key Management personnel</b>	: Mrs. Sudha Rani Jasti (till January 12, 2024)*
	: Mrs. Kalyani Jasti (till January 12, 2024)*
	: Mrs. Madhavi Jasti (till January 12, 2024)*
	: Mrs. Sirisha Jasti (till January 12, 2024)*

\*Jasti Property and Equity Holdings Private Limited and others are not promoters from September 29, 2023 but reclassification of the promoter is made on January 12, 2024.

\*\*Suvan Life Sciences Limited and Suvan Neurosciences Inc. no longer exercised significant influence from September 29, 2023, but the promoter's reclassification was made on January 12, 2024.

## (a) Promoter

Name	Type	Place of Incorporation	Ownership Interest	
			March 31, 2024	March 31, 2023
Berhyanda Limited	Promoter	Cyprus	50.10%	0.00%
Jasti Property and Equity Holdings Private Limited	Promoter	India	-	60.00%

## Transactions during the year:

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>(b) Subsidiaries</b>		
<b>i) Casper Pharma Private Limited</b>		
Rental Income	4.19	4.48
Sale of Goods	251.51	-
Balance outstanding	-	-
<b>(c) Transactions with enterprises over which key managerial personnel or their relatives exercise significant influence</b>		
<b>i) Suvan Life Sciences Limited</b>		
Rental income	88.17	112.84
Sale of Goods & Services	284.87	-
Service charges paid (Towards Testing and Analysis charges)	84.75	724.84
Balance outstanding	-	-
<b>ii) Cohance Lifesciences Limited</b>		
Rental expenses	0.99	-
Balance outstanding	-	-
<b>(d) Key managerial personnel and their relatives</b>		
<b>Remuneration*</b>		
Mr. Annaswamy Vaidheesh (w.e.f September 29, 2023)	256.17	-
Mr. Sudhir Kumar Singh (w.e.f September 29, 2023)	138.43	-
Mr. Himanshu Agarwal (w.e.f January 2, 2024)	156.30	-
Mr. Venkateswarlu Jasti (till January 12, 2024)	650.65	1,287.06
Mrs Kalyani Jasti (till January 12, 2024)	216.03	366.11

\* Does not include expenditure on account of provision for Gratuity, Compensated absences and variable pay computed for company as a whole.



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Independent Director Remuneration</b>		
Mr. Vinod Rao (w.e.f September 29, 2023)	15.16	-
Mr. Kumarapuram Gopalakrishnan Ananthakrishnan (w.e.f September 29, 2023)	15.16	-
Mr. Matangi Gowrishankar (w.e.f September 29, 2023)	15.16	-
Mr. Pravin Udhyavara Bhadya Rao (w.e.f November 9, 2023)	11.86	-
<b>Director Sitting Fees</b>		
Ms. Deepanwita Chattopadhyay (till September 29, 2023)	2.67	4.00
Mr. J. V. Ramudu (till September 29, 2023)	2.89	5.33
Mr. D. G. Prasad (till September 29, 2023)	2.89	6.00
Dr. V Sambasiva Rao (till September 29, 2023)	2.89	6.00

## Note 33: Contingent Liabilities

Particulars	March 31, 2024	March 31, 2023
a) APIIC-JN Pharmacy, Parawada- Restoration fee & Delay condonation fee	606.69	606.69
b) Claims arising from disputes not acknowledged - indirect taxes (GST)	978.53	-
	<b>1,585.23</b>	<b>606.69</b>

## Note 34: Commitments

Particulars	March 31, 2024	March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for, net of payments (including advances)	4,044.73	2,331.12
	<b>4,044.73</b>	<b>2,331.12</b>

## Note 35A: Earnings per share

Particulars	March 31, 2024	March 31, 2023
Profit After Tax (PAT)	30,481.61	43,260.25
Weighted average number of equity shares for Basic EPS	25,45,64,956	25,45,64,956
Add: Dilution Effect	-	-
Weighted average number of equity shares for Diluted EPS	25,45,64,956	25,45,64,956
Basic Earnings Per Share	11.97	16.99
Diluted Earnings Per Share	11.97	16.99

ESOPs have not been considered in the calculation of diluted EPS as the vesting conditions have not been met at reporting date.

## Note 35B

In connection with the preparation of the financial statements for the year ended March 31, 2024, the Board of Directors have confirmed the propriety of the contracts / agreements entered into by / on behalf of the Company and the resultant revenue

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

earned / expenses incurred arising out of the same after reviewing the levels of authorisation and the available documentary evidences and the overall control environment. Further, the Board of Directors have also reviewed the realizable value of all the current assets of the Company and have confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognised in the financial statements. In addition, the Board has also confirmed the carrying value of the non-current assets in the financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these financial statements in its meeting held on May 30, 2024 in accordance with the provisions of Companies Act, 2013.

## Note 35C

On February 29, 2024, the Board of Directors approved the draft Scheme of Amalgamation of Cohance Lifesciences Limited, an Advent-managed group company, into the company, pending necessary statutory and stakeholder approvals. Additionally, on the same date, they approved the Scheme of Amalgamation of Casper Pharma Private Limited, a wholly-owned subsidiary, into the company, subject to statutory approvals. The company has submitted applications to BSE and NSE seeking their NOC to approach the Hon'ble NCLT, Bench at Mumbai, for appropriate directions.

## Note 36 : Ratios

Particulars	Numerator	Denominator	March 31, 2024	March 31, 2023	Variance	Reasons for variance
Current Ratio (in times)	Current assets	Current liabilities	11.47	6.19	85%	The variance in the current ratio is on account of increase in Investments and there has been a decrease in current liabilities which primarily comprises of Borrowings and Trade payables
Debt-Equity Ratio (in times)	Total Debt	Equity and other equity	0.02	0.04	-53%	The variance is on account of decrease in borrowings which comprises of Term loans.
Debt Service Coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	8.67	12.05	-28%	The variance is due to increase in Finance cost and repayment of borrowings and decrease in PAT.
Return on Equity	Net Profits after taxes	Average Shareholder's Equity	0.16	0.26	-38%	The Variance is account of decrease in profit which is primarily on account of decrease in revenue.
Inventory turnover ratio	Cost of goods sold	Average Inventory	1.14	1.34	-15%	
Trade receivables turnover ratio (in times)	Net credit sales	Average Trade Receivable	8.66	7.69	13%	

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Numerator	Denominator	March 31, 2024	March 31, 2023	Variance	Reasons for variance
Trade payables turnover ratio (in times)	Net credit purchases	Average Trade Payables	3.94	5.08	-23%	
Net capital turnover ratio (in times)	Net sales	Working Capital (Current assets- Current liabilities)	0.93	1.66	-44%	The variance is due to decrease in Revenue from operations during the year and increase in current ratio as stated above.
Net Profit Ratio	Net Profit	Net Sales	0.30	0.33	-10%	
Return on capital employed	Earning before interest and taxes	Capital Employed (Tangible networth + Total debt + Deferred tax liability)	0.19	0.32	-39%	The variance is on account of decrease in revenue from operation and increase current asset which primarily comprises of investments
Return on Investment	Income generated from investments	Time weighted average investments	0.08	0.06	40%	The variance is on account of better return on Investments.

## Note 37 : Other statutory information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Company does not have any transactions with companies struck off.
- (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 been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (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
- (vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

- (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,
- (viii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- (ix) All quarterly returns or statements of current assets are filed by the company with banks or financial institutions and are in agreement with the books of account.
- (x) The loan has been utilised by the company for the purpose for which it was obtained and no short term funds have been used for long term purpose.
- (xi) The company have complied with the number of layers prescribed under the Companies Act, 2013 read with the Companies (Restriction on Number of Layers) Rules, 2017.
- (xii) No scheme of arrangement has been approved by the competent authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.

The accompanying notes form an integral part of the financial statements

**Note 38 :** 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 was not enabled at application level till November 12, 2023 and is not enabled at the database level. Further no instances of audit trail feature being tampered with was noted in respect of those software

**Note 39 :** Previous year figures have been regrouped and reclassified wherever considered necessary to conform to this year's classifications.

As per our report of even date

## For KARVY & CO.

Chartered Accountants  
(Firm Reg. No.001757S)

### Ajay Kumar Kosaraju

Partner  
Membership No. 021989

Place : Hyderabad  
Date : May 30, 2024

## For and on behalf of the Board of Directors of

### Suven Pharmaceuticals Limited

### Annaswamy Vaidheesh

Chairman  
DIN: 01444303

### Dr. V Prasada Raju

Managing Director  
DIN: 07267366

### Sudhir Kumar Singh

Chief Executive Officer

### Himanshu Agarwal

Chief Financial Officer

### K. Hanumantha Rao

Company Secretary  
Membership No. A11599

# INDEPENDENT AUDITOR'S REPORT

## To the Members of Suven Pharmaceuticals Limited

### Report on the Consolidated Ind AS Financial Statements

#### Opinion

We have audited the accompanying Consolidated Ind AS financial statements of **Suven Pharmaceuticals Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date and notes to the Consolidated Ind AS financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2024, the consolidated profit, including other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the Consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS 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 Ind AS financial statements for the financial year ended 31<sup>st</sup> March, 2024. These matters were addressed in the context of our audit of the Consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



Sl. No	Key Audit Matters	How the matter was addressed in our audit
1.	<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 “Revenue from Contracts with Customers”</p> <p>The application of the revenue accounting standard involves certain key judgements relating to identification of the contract with a customer, identification of distinct performance obligations, determination of transaction price of the identified performance obligations, and the appropriateness of the basis used to measure revenue recognized when a performance obligation is satisfied. Additionally, the revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>For sale transactions in a certain period of time around the Balance Sheet date, it is essential to ensure that the control of goods have transferred to the customers. As revenue recognition is subject to management’s judgment on whether the control of the goods have been transferred.</p>	<p>Our audit approach consisted, testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <p>Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.</p> <p>Tested the relevant information technology systems’ access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.</p> <p>Selected a sample of continuing and new contracts and performed the following procedures:</p> <ul style="list-style-type: none"> <li>- Read, analyzed and identified the distinct performance obligations in these contracts.</li> <li>- Compared these performance obligations with that identified and recorded by the Company.</li> <li>- Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</li> <li>- Tested Samples in respect of revenue recorded upon transfer of control/rights of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services, were tested using a combination of Master Service Agreements and Sales invoices including customer acceptances, subsequent commercial invoicing and historical trend of collections and disputes.</li> </ul> <p>Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.</p> <p>We reviewed the collation of information and the logic of the report generated from the IT system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p>

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## 2. **Inventory Valuation and existence:**

As at 31<sup>st</sup> March, 2024, the Company held inventories of ₹23,119.57 Lakhs as disclosed in Note 8 to the Consolidated Ind AS financial statements. Inventories mainly consist of raw and packing material, work-in-progress, stock-in-trade, finished goods and stores, spares and consumables.

As described in Note 2.J to the Consolidated Ind AS financial statements, inventories are carried at the lower of cost and net realizable value.

To address the risk for material error on inventories, our audit procedures included amongst other

- Assessing the compliance of company's accounting policies over inventory with applicable accounting standards.
- Reviewed the management's process for ensuring that there was no movement of stock during the physical verification of inventory;
- Recounted a sample of inventory items at each location to confirm management count;
- Analyzing the Inventory Ageing reports and Net realizable value of inventories.

Based on the audit procedures performed, the management's assertion on existence of inventories was determined to be appropriate in the context of the Consolidated Ind AS financial statements taken as a whole.

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### **Information Other than the Consolidated Ind AS Financial Statements and Auditor's Report Thereon**

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual report, but does not include the Consolidated Ind AS financial statements and auditor's reports thereon. The Holding Company's Annual report is expected to be made available to us after the date of this auditor's report.

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

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

### **Management's Responsibility for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these

Consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, Consolidated financial performance including other comprehensive income, Consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 Ind AS 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 Board of Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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.

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

### **Auditor's Responsibility for the Audit of the Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether these Consolidated Ind AS 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 Ind AS 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 Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the Ind AS financial statements of such entities included in the Consolidated Ind AS financial statements.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate

with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

### Other Matters

We did not audit the financial statements/financial information in respect of two subsidiaries, whose financial statements / financial information include total assets of ₹25,676.73 Lakhs as at 31<sup>st</sup> March, 2024, total revenue of ₹3,572.33 Lakhs, total comprehensive loss of ₹. (452.16) Lakhs and Net cash Inflows of ₹713.63 Lakhs for the year ended on that date, as considered in the Consolidated Ind AS financial statements.

We did not audit the financial statements of Seven USA branch included in the standalone Ind AS financial statements of the Company whose financial statements reflect total assets of ₹167.64 Lakhs as at 31<sup>st</sup> March, 2024 and total revenue- Nil and Net loss of ₹ (1,318.97) Lakhs for the year ended on that date.

These Ind AS financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries and branch and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and branch, is based solely on the reports of the other auditors.

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

### 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-A**", a statement on the matters specified in paragraph 3(xxi) of the order.
2. As required by section 143 (3) of the Act, based on our audit, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS financial Statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books except for the matters stated in paragraph 143(3)(i) (vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Ind AS financials statements.
  - d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Indian 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 31<sup>st</sup> March, 2024 taken on record by the Board of Directors of the Holding Company incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31<sup>st</sup> March, 2024 from being appointed as a Director of that company in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in **“Annexure-B”** which is based on the auditor’s report of the Holding Company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.
- g) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 143(3)(b) above on reporting under Section 143(3)(b) of the Act and paragraph 143(3)(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:
- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group incorporated in India, to its directors during the year is in accordance with the provisions of section 197 of the Act.
- i) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and branch as noted in the ‘Other matter’ paragraph:
- i. The Consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group in its Consolidated Ind AS financial statements- Refer Note 32 to the Consolidated Ind AS financial statements;
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group incorporated in India.
- iv. a) The respective Managements of the Parent and its subsidiary incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditor of such subsidiary to the best of their knowledge and belief, as disclosed in 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 or by subsidiary with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries to provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b) The respective Managements of the Holding and its subsidiaries which is companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditor of such subsidiary that, to the best of their knowledge and belief, as disclosed the consolidated financial statements, no funds have been received by the Holding company or by subsidiary from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding or of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c) Based on the audit procedures that has 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 Group.



- vi. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1<sup>st</sup> April, 2023.

Based on our examination which included test checks, and as communicated by the respective auditor of one of the subsidiaries, except for the instances mentioned below, the Holding Company and one of its subsidiary companies incorporated in India have used accounting software's for maintaining their books of account, which have a feature of recording audit trail (edit log) facility and the same have operated throughout the year for all relevant transactions recorded in the respective software's:

In case of the Holding Company, the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of account relating to consolidation.

In case of the Holding Company, the feature of recording audit trail (edit log) facility was not enabled at the application layer of the accounting software to be used for maintaining the books of account for the period 1<sup>st</sup> April, 2023 to 12<sup>th</sup> November, 2023.

Further, in case of a subsidiary incorporated in India, the feature of recording audit trail (edit log) facility was enabled and operated throughout the year for the accounting software and we did not come across any instance of the audit trail feature being tampered with.

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

Place: Hyderabad  
Date: 30<sup>th</sup> May, 2024

For **KARVY & CO.**  
Chartered Accountants  
ICAI Firm Regn. No.0017575

**AJAYKUMAR KOSARAJU**  
Partner  
Membership No.021989  
UDIN: 24021989BKFZTM6389

## **ANNEXURE -A to the Independent Auditors' Report**

**The Annexure referred to in Independent Auditors' Report to the members of the Company on the Consolidated Ind AS financial statements for the year ended 31<sup>st</sup> March, 2024, we report that:**

(xxi) According to the information and explanations given to us and based on our examination of the records of the Company, there are no qualifications or adverse remarks in the Companies (Auditors Report) Order (CARO) report of the Holding Company included in the Consolidated Financial Statements. Reporting under this clause is not applicable for the wholly owned subsidiary companies (located in India & outside India) included in the Consolidated financial statements.

Place: Hyderabad  
Date: 30<sup>th</sup> May, 2024

For **KARVY & CO.**  
Chartered Accountants  
ICAI Firm Regn. No.001757S

**AJAYKUMAR KOSARAJU**  
Partner  
Membership No.021989  
UDIN: 24021989BKFZTM6389

## **Annexure - B to the Independent Auditors' Report of even date on the Consolidated Ind AS Financial Statements of Suven Pharmaceuticals 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 Ind AS financial statements of Suven Pharmaceuticals Limited as of and for the year ended 31<sup>st</sup> March, 2024, we have audited the internal financial controls over financial reporting of Suven Pharmaceuticals Limited (hereinafter referred to as the "Holding Company") and such companies incorporated in India under the Companies Act 2013, which are its subsidiary companies, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Company's Management and the Board of Directors are 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 Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about

whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

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 Ind AS financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion to the best of our information and according to the explanations given to us and based on the consideration

of the reports of the other auditors referred to in the Other Matters paragraph below, Holding company and one of its subsidiary companies which is a Company incorporated in India, have, in all material respects, an adequate internal financial controls with reference to Consolidated Ind AS financial statements and such internal financial controls with reference to consolidated Ind AS financial statements were operating effectively as at 31<sup>st</sup> March, 2024, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Ind AS financial statements in so far as it relates to one of the subsidiary companies, which is a company incorporated in India, is based solely on the corresponding report of the auditor of such Company incorporated in India.

Our opinion is not modified in respect of the above matters

Place: Hyderabad  
Date: 30<sup>th</sup> May, 2024

For **KARVY & CO.**  
Chartered Accountants  
ICAI Firm Regn. No.0017575

**AJAYKUMAR KOSARAJU**  
Partner  
Membership No.021989  
UDIN: 24021989BKFZTM6389



# CONSOLIDATED BALANCE SHEET

as at March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	56,721.92	58,418.83
Right of use assets	5(a)	4,058.52	1,694.80
Capital work-in-progress	3	17,897.16	16,508.86
Goodwill	4(a)	6,025.83	6,025.83
Other Intangible assets	4(b)	155.71	193.20
Intangible Assets under development	4(b)	11.03	-
Financial assets			
(i) Investments	6(a)(i)	13,058.19	11,709.66
(ii) Loans	6 (b)	0.75	2.25
(iii) Other financial assets	6 (c)	937.20	591.19
Other non-current assets	7	223.71	325.19
<b>Total Non-current assets</b>		<b>99,090.02</b>	<b>95,469.80</b>
<b>Current assets</b>			
Inventories	8	23,119.57	31,281.05
Financial assets			
(i) Investments	6(a)(ii)	77,389.55	41,893.50
(ii) Trade receivables	6(d)	13,365.92	11,093.93
(iii) Cash and cash equivalents	6(e)(i)	4,723.12	6,480.28
(iv) Bank balances other than (iii) above	6(e)(ii)	326.76	321.12
(v) Loans	6 (b)	83.08	19.29
(vi) Other financial assets	6 (c)	42.88	156.98
Current tax asset(net)	14	998.44	-
Other current assets	9	6,269.31	9,858.43
<b>Total Current assets</b>		<b>1,26,318.63</b>	<b>1,01,104.58</b>
<b>TOTAL ASSETS</b>		<b>2,25,408.65</b>	<b>1,96,574.38</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	10(a)	2,545.65	2,545.65
Other equity	10(b)	2,02,520.70	1,70,972.78
<b>Equity attributable to equity holders of the Parent Company</b>		<b>2,05,066.35</b>	<b>1,73,518.43</b>
Non-controlling interest		-	-
<b>Total Equity</b>		<b>2,05,066.35</b>	<b>1,73,518.43</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	13(a)	-	456.42
(ii) Lease liabilities	5 (b)	2,123.56	69.98
Provisions	11	1,050.04	829.50
Deferred tax liabilities (net)	12	6,479.12	5,823.46
<b>Total Non-current liabilities</b>		<b>9,652.73</b>	<b>7,179.37</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	13(b)	3,857.53	6,459.78
(ii) Lease liabilities	5 (b)	518.55	47.90
(iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises; and	13(c)	1,707.39	1,384.24
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	13(c)	2,528.35	5,624.92
(iv) Other financial liabilities	13(d)	883.65	1,640.48
Other current liabilities	15	719.74	295.27
Provisions	11	474.37	394.61
Current Tax Liabilities(net)	14	-	29.39
<b>Total Current liabilities</b>		<b>10,689.57</b>	<b>15,876.59</b>
<b>TOTAL LIABILITIES</b>		<b>20,342.30</b>	<b>23,055.95</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,25,408.65</b>	<b>1,96,574.38</b>
Corporate information and summary of Material accounting policies	1&2		

The accompanying notes are an integral part of the consolidated financial statements  
As per our report of even date

**For KARVY & CO.**  
Chartered Accountants  
(Firm Reg. No.0017575)

**Ajay Kumar Kosaraju**  
Partner  
Membership No. 021989

Place : Hyderabad  
Date : May 30, 2024

**For and on behalf of the Board of Directors of  
Suven Pharmaceuticals Limited**

**Annaswamy Vaidheesh**  
Chairman  
DIN: 01444303

**Dr. V Prasada Raju**  
Managing Director  
DIN: 07267366

**Sudhir Kumar Singh**  
Chief Executive Officer

**Himanshu Agarwal**  
Chief Financial Officer

**K. Hanumantha Rao**  
Company Secretary  
Membership No. A11599



# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Income</b>			
Revenue from operations	16	1,05,135.37	1,34,032.88
Other income	17	6,190.51	4,636.38
<b>Total Income</b>		<b>1,11,325.88</b>	<b>1,38,669.26</b>
<b>Expenses</b>			
Cost of materials consumed	18	26,587.90	43,007.88
Changes in Inventories of work-in-progress and finished goods	19	4,915.55	(2,094.42)
Manufacturing expenses	20	13,347.60	17,706.03
Employee benefits expense	21	13,592.02	11,824.89
Finance cost	22	745.11	1,281.09
Depreciation and amortization expense	23	5,459.56	4,798.63
Other expenses	24	6,110.97	6,172.19
<b>Total Expenses</b>		<b>70,758.72</b>	<b>82,696.28</b>
<b>Profit before tax</b>		<b>40,567.15</b>	<b>55,972.98</b>
<b>Tax expense</b>			
Current tax	25	9,957.54	14,627.43
Deferred tax	25	659.21	433.75
Prior year tax		(77.64)	(217.23)
<b>Profit/(Loss) for the year</b>		<b>30,028.05</b>	<b>41,129.0</b>
<b>Other Comprehensive Income</b>			
(A) Items that will not be reclassified subsequently to profit or loss			
(i) Remeasurements gains/(losses) on defined benefit plans		(42.25)	(27.50)
(ii) Equity investments through other comprehensive income - net change in fair value		52.62	-
(iii) Income tax relating to items that will not be reclassified to profit or loss		9.92	8.85
(B) Items that will be reclassified subsequently to profit or loss:			
(i) Exchange differences on translating the financial statements of foreign operations		4.22	55.19
(ii) Exchange differences on translating Investments (carried at FVTOCI)		1,295.90	-
(iii) Income-tax on items that will be reclassified subsequently to profit or loss		-	-
<b>Total Other comprehensive income /(loss) for the year (net of taxes)</b>		<b>1,320.41</b>	<b>36.55</b>
<b>Total Comprehensive Income for the year (net of taxes)</b>		<b>31,348.46</b>	<b>41,165.58</b>
<b>Earnings per Equity share (Par value of ₹1 each)</b>			
Basic (₹)	34A	11.80	16.16
Diluted (₹)	34A	11.80	16.16
Corporate information and summary of Material accounting policies	1&2		

The accompanying notes are an integral part of the consolidated financial statements  
As per our report of even date

**For KARVY & CO.**  
Chartered Accountants  
(Firm Reg. No.0017575)

**Ajay Kumar Kosaraju**  
Partner  
Membership No. 021989

Place : Hyderabad  
Date : May 30, 2024

**For and on behalf of the Board of Directors of  
Suvan Pharmaceuticals Limited**

**Annaswamy Vaidheesh**  
Chairman  
DIN: 01444303

**Dr. V Prasada Raju**  
Managing Director  
DIN: 07267366

**Sudhir Kumar Singh**  
Chief Executive Officer

**Himanshu Agarwal**  
Chief Financial Officer

**K. Hanumantha Rao**  
Company Secretary  
Membership No. A11599

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## a. Equity share capital

Particulars	Number of Shares	Amount
<b>Balance as at April 01, 2022</b>	25,45,64,956	2,545.65
Changes in equity share capital during the year	-	-
<b>Balance as at March 31, 2023</b>	25,45,64,956	2,545.65
Changes in equity share capital during the year	-	-
<b>Balance as at March 31, 2024</b>	25,45,64,956	2,545.65

## b. Other Equity

Particulars	Note	Reserves & surplus			Share based payment reserve	Other comprehensive income Exchange Difference on translating the financial statements of foreign operations and Investments (carried at FVTOC)	Equity investments through comprehensive income – net change in fair value	Total attributable to owners of the Group	Attributable to non-controlling interest	Total
		Securities Premium	General reserve	Retained earnings						
<b>Balance as at April 01, 2022</b>		10,957.38	10,927.67	1,27,270.86	-	1,016.47	-	1,50,172.39	-	1,50,172.39
Profit for the year	10(b)	-	-	41,129.03	-	-	-	41,129.03	-	41,129.03
Other comprehensive income (net of tax)	10(b)	-	-	(18.65)	-	55.19	-	36.55	-	36.55
<b>Total comprehensive income</b>		-	-	41,110.39	-	55.19	-	41,165.58	-	41,165.58
Transfer to General Reserve	10(b)	-	-	(1,500.00)	-	-	-	(1,500.00)	-	(1,500.00)
Transfer from Retained Earnings	10(b)	-	1,500.00	-	-	-	-	1,500.00	-	1,500.00
Dividend paid	10(b)	-	-	(20,365.20)	-	-	-	(20,365.20)	-	(20,365.20)
<b>Balance at March 31, 2023</b>		10,957.38	12,427.67	1,46,516.06	-	1,071.67	-	1,70,972.78	-	1,70,972.78
<b>Balance as at April 01, 2023</b>		10,957.38	12,427.67	1,46,516.06	-	1,071.67	-	1,70,972.78	-	1,70,972.78
Profit for the year	10(b)	-	-	30,028.06	-	-	-	30,028.06	-	30,028.06
Other comprehensive income (net of tax)	10(b)	-	-	(32.33)	-	1,300.12	52.62	1,320.41	-	1,320.41
<b>Total comprehensive income</b>		-	-	29,995.74	-	1,300.12	52.62	31,348.47	-	31,348.47
Share based expense (Refer Note 26)		-	-	-	199.45	-	-	199.45	-	199.45
<b>Balance as at March 31, 2024</b>		10,957.38	12,427.67	1,76,511.79	199.45	2,371.78	52.62	2,02,520.70	-	2,02,520.70

Refer Note 10(b)B for nature and purpose of reserves

This is the Statement of Changes in Equity referred to in our report of even date

### For KARVY & CO.

Chartered Accountants  
(Firm Reg. No.0017575)

**Ajay Kumar Kosaraju**  
Partner  
Membership No. 021989

Place : Hyderabad  
Date : May 30, 2024

### For and on behalf of the Board of Directors of Suven Pharmaceuticals Limited

**Annaswamy Vaidheesh**  
Chairman  
DIN: 01444303

**Dr. V Prasada Raju**  
Managing Director  
DIN: 07267366

**Sudhir Kumar Singh**  
Chief Executive Officer

**Himanshu Agarwal**  
Chief Financial Officer

**K. Hanumantha Rao**  
Company Secretary  
Membership No. A11599

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2023
<b>A. Cash flow from operating activities</b>		
<b>Profit before tax for the year</b>	<b>40,567.16</b>	<b>55,972.98</b>
<b>Adjustments :</b>		
Depreciation and amortisation expense	5,180.59	4,645.99
Interest income	(193.48)	(583.16)
Finance cost	745.11	1,155.63
Gain on sale of current Investment	(4,491.05)	(1,568.70)
Balances no longer required written back	24.09	-
Unrealised foreign exchange gain	66.41	95.42
Loss/(Profit) on disposal of property, plant and equipment	6.75	0.65
Employee compensation expense	196.62	
<b>Operating profit before working capital changes</b>	<b>42,102.20</b>	<b>59,718.80</b>
<b>Movements in Working Capital</b>		
Trade receivables	(2,280.23)	12,446.52
Inventories	8,161.49	(2,939.32)
Other non current assets	(2,382.39)	(1,554.24)
Other current assets	3,545.04	(2,031.32)
Trade payables	(2,817.38)	(3,579.86)
Long term provisions	220.54	(59.94)
Short term provisions	39.27	(40.41)
Other financial liabilities	(172.38)	(1,369.93)
Other current liabilities	427.22	(294.66)
<b>Cash generated from operating activities</b>	<b>46,843.38</b>	<b>60,295.63</b>
Income taxes paid (net of refunds)	(10,995.07)	(14,576.05)
<b>Net Cash flows from operating activities (A)</b>	<b>35,848.31</b>	<b>45,719.58</b>
<b>B. Cash flow from Investing activities</b>		
Purchase of property, plant and equipment	(5,178.69)	(28,591.22)
Proceeds from sale of property, plant and equipment	-	7.20
Interest received from FD and debentures	193.48	583.16
Foreign currency translation reserve	4.22	55.19
Fixed deposits/margin money-placed/matured	(229.78)	648.09
Sale/(purchase) of mutual funds	(31,116.01)	6,228.74
Gain/(Loss) on Sale of Current Investments	111.00	1,568.70
Bank balances not considered as cash and cash equivalents	(9.54)	(0.44)
<b>Net cash flow from /( used in) investing activities (B)</b>	<b>(36,225.32)</b>	<b>(19,500.56)</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS (contd.)

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2023
<b>C. Cash flows from financing activities</b>		
(Repayment)/proceeds from long term borrowings	(454.92)	(2,375.75)
(Repayment)/proceeds from short term borrowings	(2,704.43)	(261.05)
(Repayment)/Increase of lease liabilities	2,524.23	(37.50)
Finance costs	(745.11)	(1,155.63)
Dividends paid to equity holders	-	(20,365.20)
<b>Net cash flow from / (used In) financing activities (C)</b>	<b>(1,380.23)</b>	<b>(24,195.12)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(1,757.24)</b>	<b>2,023.90</b>
Cash and cash equivalents as at the beginning of the year (Refer Note 6(e)(i))	6,480.28	4,456.38
Effect of exchange differences on restatement on foreign currency cash & cash equivalents	0.09	0.00
<b>Cash and cash equivalents at the end of the year</b>	<b>4,723.12</b>	<b>6,480.28</b>
Cash and cash equivalents ( Refer Note 6(e)(i))	4,723.12	6,480.28
<b>Balances as per statement of cash flows</b>	<b>4,723.12</b>	<b>6,480.28</b>

This is the Cash Flow Statement referred to in our report of even date

Note : The above statement of cash flow has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7

(Ind AS-7) "Statement of Cash Flows"

The accompanying notes are an integral part of the consolidated financial statements  
As per our report of even date

**For KARVY & CO.**  
Chartered Accountants  
(Firm Reg. No.0017575)

**Ajay Kumar Kosaraju**  
Partner  
Membership No. 021989

Place : Hyderabad  
Date : May 30, 2024

**For and on behalf of the Board of Directors of  
Suven Pharmaceuticals Limited**

**Annaswamy Vaidheesh**  
Chairman  
DIN: 01444303

**Sudhir Kumar Singh**  
Chief Executive Officer

**Himanshu Agarwal**  
Chief Financial Officer

**Dr. V Prasada Raju**  
Managing Director  
DIN: 07267366

**K. Hanumantha Rao**  
Company Secretary  
Membership No. A11599

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## 1. Corporate Information

- a) Suven Pharmaceuticals Limited (SPL) (The Holding Company), incorporated on 6<sup>th</sup> November, 2018 with the object of being engaged in the business of development and manufacturing of New Chemical Entity (NCE) based Intermediates, Active Pharmaceutical Ingredients (API), Specialty Chemicals and formulated drugs under contract research and manufacturing services for global pharmaceutical, biotechnology and chemical companies

### b) Description of the Group

Subsidiaries and other consolidating entities of the parent company are listed below

Name of the entity	Principal place of business and Country of Incorporation	Investee relationship		Proportion of ownership interest	
		31/03/2024	31/03/2023	31/03/2024	31/03/2023
Suven Pharma Inc.	USA	Subsidiary	Subsidiary	100%	100%
Casper Pharma Private Limited	India	Subsidiary	Subsidiary	100%	100%

## 2. Material accounting policies

### a) Basis of preparation of Financial Statements

#### Basis of consolidation

The Consolidated financial statements comprise the financial statements of the Group as at March 31, 2024 and March 31, 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee

- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

The financial statements of all entities used for the purpose of consolidation are drawn up to the reporting date as that of the parent Group, i.e., year ended on 31 March.

## Consolidation procedure:

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- b) Eliminate the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- d) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

*(All amounts in ₹ Lakhs, unless otherwise stated)*

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- Derecognizes the carrying amount of any non-controlling interests
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

## Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at then proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred, with the exception of the costs of issuing debt or equity securities that are recognised in accordance with Ind AS 32 and Ind AS 109.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

*(All amounts in ₹ Lakhs, unless otherwise stated)*

workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values.

For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods. Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

based on the relative values of the disposed operation and the portion of the cash generating unit retained.

## (i) Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), the provisions of the Companies Act, 2013 ('the Act') (to the extent notified), notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statements.

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

The financial statements for the year ended March 31, 2024 were approved by the Board of directors on May 30, 2024.

## (ii) Basis of preparation

The financial statements have been prepared on a historical cost and on accrual basis, except for the following items in the balance sheet:

- Certain financial assets are measured either at fair value or at amortised cost depending on the classification
- Employee defined benefit assets/(liability) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation; and
- Share-based payments which are measured at fair value of the options
- Right-of-use the assets are recognised at the present value of lease payments that are not paid at that date. This amount is adjusted for any lease payments made at

or before the commencement date, lease incentives received and initial direct costs, incurred, if any.

## b) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

### An asset is treated as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

### A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in Cash and Cash equivalents. The Group has identified twelve months as its operating cycle.

## c) Segment reporting

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Managing director has been identified as being the Chief Operating Decision Maker. Refer Note 30 for the segment information presented.

## d) Foreign currency translation

### (i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Group's functional and presentation currency.

### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

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

## e) 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 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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

- 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 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 (refer Note 27).

## f) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

### Depreciation methods, estimated useful lives and residual value

Depreciation on Property, Plant and Equipment is provided on straight-line basis at the rates arrived at based on the useful lives prescribed in Schedule II of the Companies Act, 2013. The Group follows the policy of charging depreciation on pro-rata basis on the assets acquired or disposed off during the year.

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the

end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in Statement of profit or loss when the assets is derecognised.

### Estimated useful life :

- Factory buildings	25 - 30 years
- Roads	3 - 10 years
- Machinery	8 - 20 years
- Furniture ,fittings and equipment	3 - 10 years
- Vehicles	8 - 10 years
- Computers	3 - 6 years

The Company, based on technical assessment made by technical expert and management estimate, depreciates items of Property, plant and equipment 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 reflect fair approximation of the period over which the assets are likely to be used.

## g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms of the carrying value of another asset. Estimated useful lives by major class of finite life intangible assets are as follows:

## Estimated useful life :

Software	3 - 10 years
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### (i) Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Research costs are expensed as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use
- Management intends to complete the software and use or sell it
- There is an ability to use or sell the software
- It can be demonstrated how the software will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available and;
- The expenditure attributable to the software during its development can be reliably measured

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is available for use.

During the period of development, the asset is tested for impairment annually.

### (ii) Amortization methods and periods

Intangible assets with finite useful lives are amortized over their respective individual estimated useful lives (3-10 years in case of computer software) on a straight line basis.

### h) Capital work in Progress and Intangible assets under development

Capital work-in-progress represents Property, Plant and Equipment that are not ready for its intended use as at the balance sheet date. Projects under commissioning and other CWIP/ intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost

Advances given to acquire property, plant and equipment are recorded as non-current assets and subsequently transferred to CWIP on acquisition of related assets

### i) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

An impairment loss in respect of equity accounted investee is measured by comparing the recoverable amount of investment with its carrying amount. An impairment loss is recognised in the statement of profit and loss, and reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

## j) Inventories

Raw materials, packing materials and stores, work-in-progress, traded and finished goods are stated at the lower of cost and net realizable value. Cost of raw materials, packing materials and stores comprise of cost of purchase. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure allocated based on, the normal operating capacity but excluding borrowing cost. Cost of inventories also include all other cost incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of first-in-first-out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The group's Inventory provision policy is as per below:

Ageing Bucket	Provision % for CDMO, API & FDF RM	Provision % for FDF SFG & FG
1-2 years	0%	100%
2-3 years	25%	100%
3-4 years	80%	100%
> 4 years & Specific provision	100%	100%

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## k) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts, if any, as they are considered an integral part of the Group's cash management

## l) Income Taxes

Tax expense comprises current and deferred tax.

### Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income ("OCI") or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

### Deferred Tax

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

- taxable temporary differences arising on the initial recognition of goodwill;

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction; and
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

## m) 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.

### The Group as a lessee

The Group's lease asset classes primarily consist of leases for Buildings and Facility charges.

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

### i. Right of Use Assets

At the date of commencement of the lease (i.e., the date the underlying asset is available for use), the Group recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low-value leases. For these short-term and low-value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability

*(All amounts in ₹ Lakhs, unless otherwise stated)*

adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note-2(i) "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. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses interest rate implicit in the lease because incremental borrowing rate at the lease commencement date is not readily determinable. The incremental borrowing rate is calculated at the rate of interest at which the Company would have been able to borrow for similar term and with a similar security the funds necessary to obtain a similar asset in similar market. After the commencement date, the amount of lease liabilities is increased to reflect

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

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.

### n) 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

Financial assets are classified, at initial recognition, as financial assets measured at fair value through profit or loss, fair value through other comprehensive income (OCI) or as financial assets measured at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not

contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling. 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, i.e., the date that the Group commits to purchase or sell the asset.

##### Subsequent measurement

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

- a) Financial assets at amortised cost (debt instruments)
- b) Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

d) Financial assets at fair value through profit or loss

**a) Financial assets at amortised cost (debt instruments)**

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment)

- Business model test: The objective of the Group's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category is the most relevant to the Group. 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 finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The Group's financial assets at amortised cost includes trade receivables, loans, deposits and export incentives included under other current and non-current financial assets.

**b) Financial assets at fair value through OCI (FVTOCI) (debt instruments)**

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option

• Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

• Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss. The Group's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

**c) Financial assets designated at fair value through OCI (equity instruments)**

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

**d) Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes investment in mutual funds.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## De-recognition

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 statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive 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.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

## e) Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions – see Note 6

- Trade receivables and contract assets – see Note 6  
The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Company applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument. In addition, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

*(All amounts in ₹ Lakhs, unless otherwise stated)*

The Group's debt instruments at fair value through OCI comprise solely of quoted bonds that are graded in the top investment category (Very Good and Good) by the Good Credit Rating Agency and, therefore, are low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company uses the ratings from the Good Credit Rating Agency both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## **Financial liabilities**

### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Group has not designated any financial liability as at fair value through profit or loss.

### **Financial liabilities at amortised cost (Loans and Borrowings)**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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 and loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less, when appropriate, the cumulative amortisation amount of income recognised in accordance with the principles of Ind AS 115.

## 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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and 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.

## O) Employee benefits

### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### (ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefit are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations. Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

*(All amounts in ₹ Lakhs, unless otherwise stated)*

## **(iii) Post-employment obligations**

The Group operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity; and
- (b) Defined contribution plans such as provident fund.

### **Defined Benefit plan : Gratuity obligations**

The liability or assets recognized in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the current in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. 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 the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and change in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost. Defined contribution plans The Group pays provident fund contributions to publicly administered funds as per local regulations.

The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

### **Defined contribution plans :**

The Group pays provident fund contributions to publicly administered funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

## **(iv) Bonus plans**

The group recognizes a liability and an expense for bonuses. The group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

## **(v) Compensated absences**

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

## **p) Share-based payments**

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an Monte Carlo Simulation Pricing ("MCS"), further details of which are given in Note 26.

That cost is recognised in employee benefits expense (Note 21), together with a corresponding increase in equity, over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date, to the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are considered within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are considered in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions. No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have-not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based

payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

Contingently issuable share are treated as outstanding and are included in the calculation of basic earning per share (EPS) only from the date when all the necessary conditions are satisfied (i.e., event have occurred). Also contingently issuable share are treated as outstanding and included in calculation of diluted earning per share, if the conditions are satisfied (i.e. the event has occurred). (further details are given in Note 26).

## q) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

## r) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates after taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group derives revenues primarily from manufacture and sale of Active Pharma Ingredients (API) including intermediates and Contract Research services (together called as "Pharmaceuticals")

The following is summary of significant accounting policies relating to revenue recognition.

The Group earns revenue primarily from sale of New Chemical Entity (NCE) based Intermediates, Active Pharmaceutical Ingredients (API) Specialty chemicals and formulated drugs under contract research and manufacturing services.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services. To recognize revenues, we apply the following five step approach:

- (1) Identify the contract with a customer,
- (2) Identify the performance obligations in the contract,
- (3) Determine the transaction price,
- (4) Allocate the transaction price to the performance obligations in the contract, and
- (5) Recognize revenues when a performance obligation is satisfied.

**Sale of products** The Group recognises revenue for supply of goods to customers against orders received. The majority of contracts that Group enters into relate to sales orders containing single performance obligations for the delivery of pharmaceutical products as per Ind AS 115. Product revenue is recognised when control of the goods is passed to the customer. The point at which control passes is determined based on the terms and conditions by each customer arrangement, but generally occurs on delivery to the customer. Revenue is not recognised until it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur

**Sale of services** Revenue from contract research operations is recognised based on services performed till date as a percentage of total services. The agreed milestones are specified in the contracts with customers which determine the total services to be performed.

#### **Contract asset:**

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

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in Financial instruments.

#### **Contract Liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or the amount 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 made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

#### **Royalty**

Royalty revenue is recognized 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 production, sales and other measures are recognized by reference to the underlying arrangement.

**Interest income** For all debt financial instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Interest income is included in finance income in the Statement of Profit and Loss

**Export Incentives:** Export incentives are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably.

## s) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that take a substantial period of time to get ready for their intended use or sale are capitalized as part of the cost of the respective asset. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. Other borrowing costs are expensed in the period in which they are incurred. Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowing to the extent they are regarded as adjustment to the interest cost.

Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## t) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

## u) Earning per share

### (i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Group
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

### (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

## v) Cash flow statement

Cash flows are reported using the Indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, financing activities of the Group are segregated.

## w) Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirements of Schedule III, unless otherwise stated.

## x) Provisions, Contingent Liabilities , Contingent Assets and commitments

### Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

The expense relating to a provision is presented in the statement of profit and loss.

## Contingent Liabilities

Contingent liabilities are disclosed, unless the possibility of outflow of resources is remote, when there is

- A possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or
- A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or reliable estimate of the amount cannot be made.

## Contingent Assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by- the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognize the contingent asset in its standalone financial statements since this may result in the recognition of income that may never be realised. Where an inflow of economic benefits are probable, the Company disclose a brief description of the nature of contingent assets at the end of the reporting period. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and the Company recognize such assets.

## Commitments

- Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date (Refer Note 32 & 33).

## y) Critical estimates and Judgements

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

The areas involving critical estimates or judgements are:

1. Estimation of current tax expense and payable
2. Estimated Useful life of Depreciable assets / intangible assets
3. Estimation of defined benefit obligation
4. Recognition of revenue
5. Recognition of deferred tax assets for carried forward losses
6. Recoverability of advances/receivable
7. Evaluation of indicators for Impairment of assets
8. Valuation of inventories
9. Determination of cost for right-of-use assets and lease term
10. Contingencies
11. Financial instruments
12. Fair value measurement of financial instruments
13. Share based payments
14. Depreciation on property, plant, equipment, and amortization of intangible assets

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

## z) New standards and interpretations not yet adopted

- (i) Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards)

Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

### Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

### Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations.

The amendments narrowed the scope of the cognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group has evaluated and the amendment and there is no impact on its financial statements.

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

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

## (ii) New Standards/Amendments notified but not yet effective:

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.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## Note 3: Property, plant and equipment

Particulars	Land - Free Hold	Leasehold improvements	Buildings - Office at Factory	Buildings - Factory (including roads)	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Laboratory Equipments	ETP Works	EDP Equipments	Total	Capital work-in-progress
<b>Gross carrying amount</b>													
<b>Balance as at April 01, 2022</b>	1,504.64	-	31.20	18,103.26	41,683.39	820.31	166.09	226.14	4,266.91	1,704.53	333.18	68,839.65	2,999.38
Assets acquired through Business Combination	-	-	-	3,502.07	3,232.32	283.16	-	747.81	-	-	-	7,765.36	-
Additions	-	-	-	366.42	1,720.37	60.69	34.72	62.97	510.79	117.09	12.73	2,885.78	15,513.32
Capitalized during the year	-	-	-	-	-	-	-	-	-	-	-	-	2,003.84
Disposals	-	-	-	-	51.69	-	-	-	10.52	-	-	62.21	-
<b>Balance as at March 31, 2023</b>	<b>1,504.64</b>	-	<b>31.20</b>	<b>21,971.76</b>	<b>46,584.39</b>	<b>1,164.17</b>	<b>200.82</b>	<b>1,036.91</b>	<b>4,767.18</b>	<b>1,821.62</b>	<b>345.91</b>	<b>79,428.58</b>	<b>16,508.86</b>
<b>Accumulated depreciation</b>													
<b>Balance as at April 01, 2022</b>	-	-	5.24	3,131.05	9,524.91	334.15	79.78	164.43	1,891.90	395.53	257.48	15,784.46	-
Assets acquired through Business Combination	-	-	-	174.54	319.04	37.69	-	142.48	-	-	-	673.75	-
Depreciation for the year	-	-	0.75	799.16	3,005.92	97.86	20.22	122.38	407.48	122.07	30.08	4,605.90	-
Disposals	-	-	-	-	43.84	-	-	-	10.52	-	-	54.36	-
<b>Balance as at March 31, 2023</b>	-	-	<b>5.99</b>	<b>4,104.75</b>	<b>12,806.03</b>	<b>469.70</b>	<b>100.00</b>	<b>429.29</b>	<b>2,288.85</b>	<b>517.60</b>	<b>287.56</b>	<b>21,009.75</b>	-
<b>Gross carrying amount</b>													
<b>Balance as at April 01, 2023</b>	1,504.64	-	31.20	21,971.76	46,584.39	1,164.17	200.82	1,036.91	4,767.18	1,821.62	345.91	79,428.58	16,508.86
Additions	-	425.98	-	83.41	2,424.01	24.07	23.21	93.03	290.71	21.54	71.67	3,457.62	4,814.95
Capitalized during the year	-	-	-	-	-	-	-	-	-	-	-	-	3,426.65
Disposals	-	-	-	-	700.60	-	75.08	12.76	90.44	-	72.72	951.60	-
<b>Balance as at March 31, 2024</b>	<b>1,504.64</b>	<b>425.98</b>	<b>31.20</b>	<b>22,055.16</b>	<b>48,307.80</b>	<b>1,188.23</b>	<b>148.94</b>	<b>1,117.19</b>	<b>4,967.45</b>	<b>1,843.16</b>	<b>344.86</b>	<b>81,934.60</b>	<b>17,897.16</b>
<b>Accumulated depreciation</b>													
<b>Balance as at April 01, 2023</b>	-	-	5.99	4,104.75	12,806.03	469.70	100.00	429.29	2,288.85	517.60	287.56	21,009.75	-
Depreciation for the year	-	0.47	0.75	815.88	3,456.21	107.15	19.46	148.14	424.25	103.52	28.50	5,104.33	-
Disposals	-	-	-	-	695.89	-	34.45	11.94	87.90	-	71.23	901.41	-
<b>Balance as at March 31, 2024</b>	-	<b>0.47</b>	<b>6.73</b>	<b>4,920.63</b>	<b>15,566.36</b>	<b>576.85</b>	<b>85.01</b>	<b>565.49</b>	<b>2,625.20</b>	<b>621.12</b>	<b>244.83</b>	<b>25,212.67</b>	-
<b>Net carrying value as at March 31, 2024</b>	<b>1,504.64</b>	<b>425.51</b>	<b>24.46</b>	<b>17,134.54</b>	<b>32,741.44</b>	<b>611.39</b>	<b>63.93</b>	<b>551.70</b>	<b>2,342.25</b>	<b>1,222.04</b>	<b>100.03</b>	<b>56,721.92</b>	<b>17,897.16</b>
<b>Net carrying value as at March 31, 2023</b>	<b>1,504.64</b>	-	<b>25.21</b>	<b>17,867.01</b>	<b>33,778.35</b>	<b>694.47</b>	<b>100.82</b>	<b>607.63</b>	<b>2,478.33</b>	<b>1,304.02</b>	<b>58.35</b>	<b>58,418.83</b>	<b>16,508.86</b>

### Notes:

Refer Note 13 (b) for information on property, plant and equipment pledged as security by the Group

Refer Note 33 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

**Capital Work-in-progress ageing schedule for the year ended March 31, 2024 and March 31, 2023 is as follows:**

Particulars	Amount in Capital Work-In-Progress for a year of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Balance as at March 31, 2024</b>					
Projects in progress	3,840.70	12,154.59	1,901.87	-	17,897.16
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>3,840.70</b>	<b>12,154.59</b>	<b>1,901.87</b>	<b>-</b>	<b>17,897.16</b>
<b>Balance as at March 31, 2023</b>					
Projects in progress	14,548.82	1,958.44	1.61	-	16,508.86
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>14,548.82</b>	<b>1,958.44</b>	<b>1.61</b>	<b>-</b>	<b>16,508.86</b>

**Note:**

The Group has not revalued its Property, Plant and Equipment

## Note 4: Intangible assets

### (a) Goodwill

Particulars	March 31, 2024	March 31, 2023
<b>Balance at the beginning of the year</b>	6,025.83	-
Additional amount recognised from business combination during the year	-	6,025.83
Disposals	-	-
<b>Balance at the end of the year</b>	<b>6,025.83</b>	<b>6,025.83</b>

4(a)(i) As at March 31, 2024, the carrying goodwill is ₹6,025.83 lakhs which pertains to the acquisition of Casper Pharma Private Limited ('Casper' or 'acquiree') by the holding company.

4(a)(ii) Goodwill arising upon business combination is not amortised but tested for impairment at least annually or more frequently if there is any indication that the cash generating unit to which goodwill is allocated is impaired. The Group performed its annual impairment test for the year ended March 31, 2024.

For the purpose of impairment testing of Goodwill, as per the business plan of purchase, the entire business of Casper is considered as single Cash Generating Unit (CGU).

The recoverable amounts of the above cash generating units have been assessed using a value-in-use model. Value-in-use is generally calculated as the net present value of the projected post-tax cash flows plus a terminal value of the cash generating unit to which the goodwill is allocated. Initially, a post-tax discount rate is applied to calculate the net present value of the post-tax cash flows

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## (b) Other Intangible Assets

Particulars	Computer Software	Intangible assets under development
<b>Gross Carrying value</b>		
Balance as at April 01, 2023	410.35	-
Additions	3.49	11.03
Disposals	-	-
<b>Balance as at March 31, 2024</b>	<b>413.84</b>	<b>11.03</b>
<b>Accumulated amortisation and impairment</b>		
Balance as at April 01, 2023	217.15	-
Amortisation for the year	40.98	-
<b>Balance as at March 31, 2024</b>	<b>258.13</b>	<b>-</b>
<b>Net Carrying value</b>	<b>155.71</b>	<b>11.03</b>
<b>Gross Carrying value</b>		
Balance as at April 01, 2022	400.70	-
Additions	9.65	-
Disposals	-	-
<b>Balance as at March 31, 2023</b>	<b>410.35</b>	<b>-</b>
<b>Accumulated amortisation and impairment</b>		
Balance as at April 01, 2022	177.06	-
Amortisation for the year	40.09	-
<b>Balance as at March 31, 2023</b>	<b>217.15</b>	<b>-</b>
<b>Net Carrying Value</b>	<b>193.20</b>	<b>-</b>

## Intangible assets under development aging schedule

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Balance as at March 31, 2024</b>					
Projects in progress	11.03	-	-	-	11.03
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>11.03</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11.03</b>
<b>Balance as at March 31, 2023</b>					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## Note 5: Leases

### Note 5(a): Right of Use Assets

Particulars	March 31, 2024	March 31, 2023
<b>Opening Balance</b>	1,694.80	140.56
Addition	2,695.01	1,698.67
Modifications	-	8.22
Less: Deletion	(26.35)	-
Less Depreciation expense	304.93	152.65
<b>Closing Balance</b>	<b>4,058.52</b>	<b>1,694.80</b>

### Note 5(b): Lease Liabilities

Particulars	March 31, 2024	March 31, 2023
<b>Opening Balance</b>	117.88	155.38
Addition	2,695.01	79.35
Modifications	-	3.94
Less: Deletion	(27.83)	-
Add: Accretion of interest	124.02	12.60
Less: Payments	(265.19)	(142.95)
Add/(Less): Exchange fluctuation	(1.78)	9.55
<b>Closing Balance</b>	<b>2,642.11</b>	<b>117.88</b>

Particulars	March 31, 2024	March 31, 2023
Current Portion	518.55	47.90
Non-Current Portion	2,123.56	69.98

### Maturity analysis of lease liabilities is as follows (Undiscounted Basis)

Particulars	March 31, 2024	March 31, 2023
Less than one year	518.55	47.90
1 to 5 years	1,897.51	69.98
above 5 years	226.05	-
<b>Closing balance</b>	<b>2,642.11</b>	<b>117.88</b>

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

Particulars	March 31, 2024	March 31, 2023
Depreciation expense on right-of-use assets	304.93	152.65
Interest expense on lease liabilities	124.02	12.60
Expense relating to short-term leases and low-value assets (included in other expenses)	2.01	2.01
<b>Total amount recognised in statement of profit and loss</b>	<b>430.97</b>	<b>167.26</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## Note 6: Financial assets

### 6 (a) (i) Non-current investments

Particulars	Face value	March 31, 2024		March 31, 2023	
		Shares	Amount	Shares	Amount
<b>Investments in unquoted equity shares (fully paid, carried at fair value through profit and loss)</b>					
<b>In Others</b>					
Jeedimetla Effluent Treatment Ltd	100	1,000	6.00	1,000	6.00
Patancheru Envirotech Pvt Ltd	10	10,487	1.05	10,487	1.05
<b>Investments in unquoted equity shares (fully paid, carried at fair value through Other comprehensive income)</b>					
<b>In Others</b>					
Raisin Aggregator, L.P			13,051.14		11,702.62
Less: Provision for Impairment			-		-
<b>Total Non-Current investments</b>			<b>13,058.19</b>		<b>11,709.66</b>
Aggregate amount of quoted investments & market value thereof					
Aggregate value of unquoted investments			-	-	11,709.66
Aggregate amount of impairment in value of Investment			-	-	-

### 6 (a) (ii) Current investments carried at Fair value through Profit & Loss

Particulars	March 31, 2024		March 31, 2023	
	Units	Amount	Units	Amount
<b>Investment in Mutual Funds - Quoted (Fully paid up)</b>				
Nippon India corporate bond Fund -Direct Plan Growth plan- Growth option	77,06,979	4,346.61	77,06,979	4,016.32
Nippon India liquid Fund-Direct Plan Growth plan- Growth option	-	-	36,384	2,003.67
Nippon India Arbitrage fund-growth-Direct plan	2,32,38,581	7,577.51	-	-
SBI Liquid Fund Direct Growth	-	-	99,706	3,512.96
SBI Corporate Bond Fund-Direct Plan-Growth	2,64,81,308	2,715.09	2,64,81,308	3,528.93
SBI Savings Fund -Direct Plan-Growth	1,10,35,684	4,375.95	69,31,025	2,604.08
SBI Fixed maturity plan	3,68,47,627	3,684.76	1,50,92,523	1,509.25
SBI Arbitrage Opportunities fund -direct plan growth	3,04,60,348	13,724.44	-	-
TATA Money Market Fund Direct Plan-Growth	1,91,416	8,446.68	1,91,416	7,748.63
TATA Treasury Advantage Fund Direct Plan-Growth	-	-	75,882	2,592.09
TATA Corporate bond Fund Direct Plan Growth	3,37,82,334	3,745.58	3,37,82,334	3,549.14
TATA Arbitrage fund - Direct plan Growth	4,12,13,411	6,661.89	-	-



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2024		March 31, 2023	
	Units	Amount	Units	Amount
Bandhan Low Duration Fund- Growth	1,22,94,957	5,435.57	1,22,94,957	4,116.54
Bandhan Arbitrage fund-growth-Direct plan	1,17,77,290	3,760.21	-	-
Aditya Birla Sun life Low duration fund-Growth Direct plan	7,52,427	4,959.56	-	-
HDFC Arbitrage fund-Whole sale plan-Growth-Direct plan	2,59,73,707	4,770.33	-	-
HDFC Liquid fund--Growth-Direct plan	53,562	2,540.81	-	-
ICICI Prudential MF-Liquid Fund	1,80,346	644.57	7,82,917	2,608.56
<b>Total</b>		<b>77,389.55</b>		<b>37,790.16</b>
<b>Investment in Bonds &amp; Debentures - Unquoted (Fully paid up)</b>				
LIC Housing Finance Limited-8.89%	-	-	-	542.28
Muthoot Finance Limited-6.6%	-	-	1,000	2,098.86
Shriram Finance Limited	-	-	-	1,462.20
<b>Total</b>		-		4,103.34
<b>Total Current Investments</b>		<b>77,389.55</b>		<b>41,893.50</b>
Aggregate amount of quoted investments & market value thereof		<b>77,389.55</b>		<b>37,790.16</b>
Aggregate value of Unquoted investments		-		4,103.34
Aggregate amount of impairment in value of Investment in unquoted investments		-		-

## 6(b) Loans

Particulars	March 31, 2024		March 31, 2023	
	Current	Non-current	Current	Non-current
<b>Unsecured, considered good</b>				
Other Loans	83.08	0.75	19.29	2.25
<b>Total loans</b>	<b>83.08</b>	<b>0.75</b>	<b>19.29</b>	<b>2.25</b>

## 6(c) Other financial assets

Particulars	March 31, 2024		March 31, 2023	
	Current	Non Current	Current	Non Current
<b>Unsecured, considered good</b>				
Security Deposits	-	937.20	-	591.19
Interest accrued on deposit	42.88	-	28.17	-
Insurance claim receivable	-	-	128.80	-
<b>Total Other financial assets</b>	<b>42.88</b>	<b>937.20</b>	<b>156.98</b>	<b>591.19</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## 6(d) Trade receivables

(Carried at amortised cost, except otherwise stated)

Particulars	March 31, 2024	March 31, 2023
Trade receivables - unsecured - considered good *	13,365.92	11,093.93
Trade receivables - unsecured - which have significant increase in credit risk	-	-
Trade receivables - unsecured - Credit Impaired	-	-
<b>Total</b>	<b>13,365.92</b>	<b>11,093.93</b>
Less: Allowance for expected credit loss	-	-
<b>Total</b>	<b>13,365.92</b>	<b>11,093.93</b>

\*No Trade receivables are due from directors or other officers of the Group either severally or jointly with any other person. Refer Note 31 for dues from related parties

## Trade receivables ageing schedule for the year ended March 31, 2024 and March 31, 2023

Ageing for trade receivables - Outstanding as at March 31, 2024 is as follows :

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	4,580.47	8,785.45	-	-	-	-	13,365.92
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Undisputed Trade Receivables- credit Impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>4,580.47</b>	<b>8,785.45</b>	-	-	-	-	<b>13,365.92</b>
Less: Allowance for expected credit loss	-	-	-	-	-	-	-
<b>Balance at the end of the year</b>	<b>4,580.47</b>	<b>8,785.45</b>	-	-	-	-	<b>13,365.92</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## Ageing for trade receivables - current outstanding as at March 31, 2023 is as follows :

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	3,124.65	7,969.28	-	-	-	-	11,093.93
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Undisputed Trade Receivables- credit Impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>3,124.65</b>	<b>7,969.28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,093.93</b>
Less: Allowance for expected credit loss	-	-	-	-	-	-	-
<b>Balance at the end of the year</b>	<b>3,124.65</b>	<b>7,969.28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,093.93</b>

## 6(e) (i) Cash and cash equivalents

Particulars	March 31, 2024	March 31, 2023
Balances with banks		
-in current accounts	4,073.34	4,525.06
-in EEFC account	138.32	1,445.07
-in Cash Credit account	5.36	5.39
-Deposits (with Original maturities less than 3 months)	500.00	500.00
Cash on hand	6.10	4.75
<b>Total cash and cash equivalents</b>	<b>4,723.12</b>	<b>6,480.28</b>

## 6(e) (ii) Bank balances other than cash and cash equivalents

Particulars	March 31, 2024	March 31, 2023
<b>Earmarked balances with banks:</b>		
In unclaimed dividend accounts*	101.82	105.72
LC and Bank Guarantee Margin money**	224.95	215.40
<b>Total Other bank balances</b>	<b>326.76</b>	<b>321.12</b>

\*There are no amount due for payment to the Investor Education Protection Fund under sec 125 of Companies act 2013, as the year end.

\*\*Margin Money deposits with carrying amount of ₹224.95 Lakhs (March 2023 - ₹215.40 Lakhs) are subject to first charge against bank guarantees obtained.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## Note 7: Other non-current assets

Particulars	March 31, 2024	March 31, 2023
Capital advances - considered good	203.23	325.19
Defined benefit plan assets	20.49	-
<b>Total other non-current assets</b>	<b>223.71</b>	<b>325.19</b>

## Note 8: Inventories

(Valued at lower of Cost or Net Realisable Value)

Particulars	March 31, 2024	March 31, 2023
Raw materials	4,618.93	7,708.50
Work-in-progress	10,062.44	11,348.32
Finished goods	6,283.87	9,913.54
Stores and spares	1,711.81	1,906.31
Packing materials	442.51	404.37
<b>Total inventories</b>	<b>23,119.57</b>	<b>31,281.05</b>

## Note 9: Other current assets

Particulars	March 31, 2024	March 31, 2023
<b>Unsecured, considered good</b>		
Duty drawback receivable	111.25	125.74
RoDTEP Receivable	543.97	-
GST Receivable	4,924.66	6,376.48
Pre paid expenses	492.11	862.82
Advances to Material Suppliers, considered good	139.12	1,776.61
Advances to service providers, considered good	49.45	270.92
Others advances, considered good	8.74	445.85
<b>Total other current assets</b>	<b>6,269.31</b>	<b>9,858.43</b>

## Note 10: Equity share capital and other equity

### 10(a) Equity share capital

Particulars	March 31, 2024	March 31, 2023
<b>Authorised Capital</b>		
400,000,000 Equity shares of ₹1/- each	4,000.00	4,000.00
(March 31, 2023 400,000,000 Equity shares of ₹1/- each)		
	<b>4,000.00</b>	<b>4,000.00</b>
<b>Issued, Subscribed and fully paid up</b>		
25,45,64,956 Equity shares of ₹1/- each	2,545.65	2,545.65
(March 31, 2023: 25,45,64,956 Equity shares of ₹1/- each)		
	<b>2,545.65</b>	<b>2,545.65</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## 10(a).1 Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	March 31, 2024		March 31, 2023	
	Number	Amount	Number	Amount
Equity Shares				
At the beginning of the year	25,45,64,956	2,545.65	25,45,64,956	2,545.65
Add: Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>25,45,64,956</b>	<b>2,545.65</b>	<b>25,45,64,956</b>	<b>2,545.65</b>

## 10 (a).2 Terms/ rights attached to equity shares

Equity shares have a par value of ₹1. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the Group in proportion to the number of and amounts paid on the shares held.

Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the group, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportions to the number of equity shares held by the shareholders.

## 10 (a). 3(i) Details of shares held by the promoter at the end of the year March 31, 2024

Name of the Promoter	March 31, 2024		March 31, 2023		% change during the year
	No of shares	% of total shares	No of shares	% of total shares	
Berhyanda Limited	12,75,37,043	50.10%	-	0.00%	100.00%
Jasti Property and Equity Holdings Private Limited*	-	-	15,27,30,000	60.00%	-100.00%
Venkateswarlu Jasti*	-	-	2,000	0.00%	-100.00%
Sudha Rani Jasti*	-	-	2,000	0.00%	-100.00%
Kalyani Jasti*	-	-	2,000	0.00%	-100.00%
Madhavi Jasti*	-	-	2,000	0.00%	-100.00%
Sirisha Jasti*	-	-	2,000	0.00%	-100.00%
	<b>12,75,37,043</b>	<b>50.10%</b>	<b>15,27,40,000</b>	<b>60.00%</b>	

\*Jasti Property and Equity Holdings Private Limited, promoter of the Group had transferred 12,75,37,043 shares to M/s. Berhyanda Limited on September 29, 2023 & \*Jasti Property and Equity

Holdings Private Limited and others are not promoters from September 29, 2023 but reclassification of the promoter is made on January 12, 2024.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## Details of shares held by the promoter at the end of the year March 31, 2023

Name of the Promoter	March 31, 2023		March 31, 2022		% change during the year
	No of shares	% of total shares	No of shares	% of total shares	
Jasti Property and Equity Holdings Private Limited	15,27,30,000	60.00%	15,27,30,000	60.00%	-
Venkateswarlu Jasti	2,000	0.00%	2,000	0.00%	-
Sudha Rani Jasti	2,000	0.00%	2,000	0.00%	-
Kalyani Jasti	2,000	0.00%	2,000	0.00%	-
Madhavi Jasti	2,000	0.00%	2,000	0.00%	-
Sirisha Jasti	2,000	0.00%	2,000	0.00%	-

## 10(a).4 Details of shareholders holding more than 5% shares in the Group

Particulars	March 31, 2024		March 31, 2023	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Berhyanda Limited	12,75,37,043	50.10%	-	-
Jasti Property and Equity Holdings Private Limited	2,51,92,957	9.90%	15,27,30,000	60.00%

10(a).5 No shares have been allotted without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the reporting date

## 10(a).6 Details of shares reserved for issue under employee stock options (ESOP)

For details of shares reserved for issue under employee stock option plan (ESOP), refer Note 26.

## 10(b) Other equity

Particulars	March 31, 2024	March 31, 2023
Securities premium reserve	10,957.38	10,957.38
General reserve	12,427.67	12,427.67
Equity investments through other comprehensive income	52.62	-
Foreign currency Translation Reserve	2,371.78	1,071.67
Retained earnings	1,76,511.79	1,46,516.06
Share based payment reserve	199.45	-
<b>Total other equity</b>	<b>2,02,520.70</b>	<b>1,70,972.78</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## B. Nature and purpose of reserves

(a) Securities premium reserve	The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. This reserve will be utilised in accordance with provisions of Section 52 of the Companies Act, 2013.
(b) General reserve	The Group has transferred a portion of the net profit of the Group before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013
(c) Retained earnings	Retained earnings are the profits that the Group has earned to date, less any transfers to general reserve, dividends or other distributions to share holders.
(d) Shares based payment reserve	The share-based payments reserve is used to recognise the value of equity settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 26 for further details of these plans.
(e) Other Comprehensive Income (OCI):	Other comprehensive income comprises of: <ul style="list-style-type: none"> <li>(i) Re-measurement of defined employee benefit plans: Difference between the interest income on plan assets and the return actually achieved, any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments with in the plans, are recognised in other comprehensive income and subsequently not reclassified in to consolidated statement of profit and loss.</li> <li>(ii) Exchange differences on translation of financial statements of foreign operations: Represents exchange differences arising on account of conversion of foreign operations to Group's functional currency.</li> </ul>

### (i) Securities premium Reserve

Particulars	March 31, 2024	March 31, 2023
Opening balance	10,957.38	10,957.38
Additions during the period	-	-
<b>Closing Balance</b>	<b>10,957.38</b>	<b>10,957.38</b>

### (ii) General Reserve

Particulars	March 31, 2024	March 31, 2023
Opening balance	12,427.67	10,927.67
Transferred from Retained Earnings	-	1,500.00
<b>Closing Balance</b>	<b>12,427.67</b>	<b>12,427.67</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## (iii) Other Comprehensive Income

### Equity investments through other comprehensive income

Particulars	March 31, 2024	March 31, 2023
Opening balance		
Equity investments through other comprehensive income - net change in fair value	52.62	-
<b>Closing Balance</b>	<b>52.62</b>	<b>-</b>

### Foreign currency Translation Reserve

Particulars	March 31, 2024	March 31, 2023
Opening balance	1,071.67	1,016.47
OCI - Items that will be reclassified subsequently to profit or loss	1,300.12	55.19
<b>Closing Balance</b>	<b>2,371.78</b>	<b>1,071.67</b>

## (iv) Retained earnings

Particulars	March 31, 2024	March 31, 2023
Opening balance	1,46,516.06	1,27,270.86
Net profit for the year	30,028.06	41,129.03
Transferred to General reserve	-	(1,500.00)
Dividend paid	-	(20,365.20)
<b>Other Comprehensive Income</b>		
- Remeasurements of post employment benefit obligation, net of tax	(32.33)	(18.65)
<b>Closing balance</b>	<b>1,76,511.79</b>	<b>1,46,516.06</b>

## (v) Share based payment reserve

Particulars	March 31, 2024	March 31, 2023
Opening balance	-	-
Provided during the year	199.45	-
<b>Closing Balance</b>	<b>199.45</b>	<b>-</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## 10(c) Dividends paid and proposed (on equity instruments)

Particulars	March 31, 2024		March 31, 2023	
	Current	Non-Current	Current	Non-Current
(i) Cash dividends on Equity shares declared and paid				
Final dividend for the FY 2023-24: ₹0.00 (FY 2022-23: ₹2.00) per fully paid share			-	50,91,29,912
Interim dividend for the FY 2023-24: ₹0.00 (FY 2022-23: ₹6.00) per fully paid share			-	1,52,73,89,736
<b>Total</b>			<b>-</b>	<b>2,03,65,19,648</b>

## Note 11: Provisions

Particulars	March 31, 2024		March 31, 2023	
	Current	Non-Current	Current	Non-Current
Provision for Employee benefits				
-Leave obligations	305.99	976.76	273.14	829.50
-Gratuity	168.38	73.28	121.47	-
	<b>474.37</b>	<b>1,050.04</b>	<b>394.61</b>	<b>829.50</b>

## Employee Benefit Plans

### (i) Defined Contribution plans

Particulars	March 31, 2024		March 31, 2023	
	Current	Non-Current	Current	Non-Current
Provident Fund			670.55	570.66
<b>State Defined Contribution Plans</b>				
Employees State Insurance			3.24	6.20

### (ii) Defined Benefit plan

#### Gratuity

The Group provides for gratuity for employees in India as per the payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 day salary multiplied for the number of years of service. The plan is funded with Life Insurance Corporation in the form of a qualifying insurance policy. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>Balance as at April 01, 2022</b>	<b>1,707.77</b>	<b>1,421.49</b>	<b>286.28</b>
Current service cost	222.10	-	222.10
Interest expense/(income)	120.03	115.13	4.90
<b>Total</b>	<b>2,049.89</b>	<b>1,536.61</b>	<b>513.28</b>
<b>Remeasurements</b>			
- Experience adjustments	40.30	-	40.30
- Financials assumptions	(28.24)	-	(28.24)
- Return on plan assets ( excluding Interest Income)	-	(11.57)	11.57
<b>Total</b>	<b>2,061.96</b>	<b>1,525.04</b>	<b>536.91</b>
Employer contributions	-	297.82	(297.82)
Benefit payments	(141.13)	-	(141.13)
Others	-	(10.22)	10.22
Interest adjustment	-	-	-
<b>Balance as at March 31, 2023</b>	<b>1,920.82</b>	<b>1,812.64</b>	<b>108.18</b>
<b>Balance as at April 01, 2023</b>	<b>1,920.82</b>	<b>1,812.64</b>	<b>108.18</b>
Current service cost	244.45	-	244.45
Interest expense/(income)	138.50	136.80	1.70
<b>Total</b>	<b>2,303.77</b>	<b>1,949.44</b>	<b>354.33</b>
<b>Remeasurements</b>			
- Experience adjustments	(6.45)	-	(6.45)
- Financials assumptions	50.36	-	50.36
- Return on plan assets ( excluding Interest Income)	-	3.15	(3.15)
- Demographic Assumptions	(2.84)	-	(2.84)
<b>Total</b>	<b>2,344.84</b>	<b>1,952.59</b>	<b>392.25</b>
Employer contributions	-	18.25	(18.25)
Benefit payments	(153.01)	(0.18)	(152.83)
Others	-	-	-
Interest adjustment	-	-	-
<b>Balance as at March 31, 2024</b>	<b>2,191.83</b>	<b>1,970.66</b>	<b>221.18</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## Reconciliation of Liability

Particulars	March 31, 2024	March 31, 2023
Present value of obligation as at the beginning of the year	1,920.82	1,707.77
Interest cost	138.50	120.03
Past service cost - (Vested Benefits)	-	-
Current service cost	244.45	222.10
Benefits paid	(153.01)	(141.13)
Increase / (Decrease) due to effect of any business combination / divesture / transfer)	-	-
Increase / (Decrease) due to Plan combination	-	-
Financial Assumptions	50.36	(28.24)
Actuarial (gain)/loss on obligation	(9.29)	40.30
<b>Present value of obligation as at the end of the year</b>	<b>2,191.83</b>	<b>1,920.82</b>

## Reconciliation of Plan Assets

Particulars	March 31, 2024	March 31, 2023
Fair value at beginning of the year	1,812.64	1,421.49
Interest income	136.8	115.13
Employers contribution	18.25	297.82
Benefit Payments from Plan Assets	(0.18)	-
Return on plan assets	3.15	(11.57)
Adjustment to Opening Balance, Other Expenses & Increase/ Decrease due to Plan Combination	-	(10.22)
<b>Fair value at the end of the year</b>	<b>1,970.66</b>	<b>1,812.64</b>

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	March 31, 2024	March 31, 2023
Funds managed by Insurers	100%	100%

## Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	March 31, 2024	March 31, 2023
Discount rate	7.23%	7.51%
Salary growth rate	9.00%	9.00%
Attrition rate	6.50%	6.50%
Average future service	20.52	21.84
Retirement age	58 Years	58 Years
Mortality rate	100%	100%

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## (iv) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Discount rate	1%	1%	2,020.68	1,772.14	2,389.16	2,092.17
Salary growth rate	1%	1%	2,367.50	2,075.94	2,028.72	1,777.74
Attrition rate	1%	1%	2,172.15	1,905.92	2,213.83	1,937.47

Expected cash flows over the next (valued on undiscounted basis):	Amount (₹)
1 year	171.29
2 to 5 Years	790.97
More than 6 Years	3,590.83

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The Group has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Group. Any deficit in the assets arising as a result of such valuation is funded by the Group.

**Discount rate:** The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.

**Salary escalation rate:** The estimate of future salary increases considered takes into account the inflation, seniority, promotion and other related factors.

## (v) Best estimate of Contribution during the next year

The recommended contribution is minimum of net liability (Defined Benefit obligation-Fund balance as at valuation date) ₹241.66 Lakhs or 8.33% of the wage bill

## Discontinuance Liability

Amount payable upon discontinuance of all employment is ₹1,710.48 Lakhs

## (vi) Risk exposure

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

**Asset Volatility:** The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets under perform this yield, this will create a deficit. Most of the plan asset investments are in fixed income securities with high grades and in government securities. A portion of the fund is invested in equity securities and in alternative investments which have

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit. The group has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The Group intends to maintain the investment mix in the continuing years.

**Changes in bond yields:** A decrease in bond yields will increase plan liabilities, although this will be partially off-set by an increase in the value of the plan's bond holdings.

**Inflation risk:** In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk.

**Life expectancy:** The pension obligation are to provide benefits for the life of the member, so increase in life expectancy will result in an increase in the plan's liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy

The Group ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Group's ALM objective is to match the assets to the pension obligations by investing in long term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Group has not changed the processes used to manage its risks from previous periods.

A large portion of assets in 2023-24 consists of government and corporate bonds, although the Group also invests in equities, cash and mutual funds. The Group believes that equities offer the best returns over the long term with an acceptable level of risk. The majority of equities are in a globally diversified portfolio of international blue chip entities, with a target of 60% equities held in India. The plan asset mix is in compliance with the requirements of the respective local regulations.

**Interest Rate :** A decrease in bond yields will increase plan liabilities, although this will be partially off-set by an increase in the value of the plan's bond holdings.

**Investment Risk:** If actual return on plan assets is below this rate , it will create a plan deficit .

**Salary Risk:** Higher than expected increase in salaries increases the defined benefit obligations.

**Demographic Risk:** The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment . An increase in the life expectancy of the plan participants will increase the plans liability.

## Other Long term benefit plans

### Disclosures related to compensated absences

The Group provides for accumulation of compensated absences in respect of certain categories of employees. These employees can carry forward a portion of the unutilized compensated absences and utilize them in future periods or receive cash in lieu thereof as per Group policy.

Actuarial valuation for compensated absences is done as at the year end and provision is made as per Group policy with corresponding (gain) / Charge to the statement of profit and loss amounting to ₹708.77 Lakhs (March 31, 2023 : ₹424.93 Lakhs)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## Note 12: Deferred tax assets /( liabilities)

The balances comprises temporary differences attributable to :

Particulars	31 March 2024	31 March 2023
Employee benefits	250.69	137.82
Other items	81.77	-
Lease Liabilities	33.84	2.32
MAT credit	81.31	81.31
<b>Total Deferred tax assets</b>	<b>447.61</b>	<b>221.44</b>
<b>Set-off of deferred tax liabilities pursuant to set-off provisions</b>		
- Property, Plant and Equipment	4,143.08	4,067.50
- Unrealised capital gains on Investments (MF-Equity)	213.84	237.08
- Unrealised capital gains on Investments (MF-Debt)	823.12	-
- MAT credit Adjustment	-	-
- Others - Federal, NJ State tax	1,746.69	1,740.32
<b>Total Deferred tax Liabilities</b>	<b>6,926.73</b>	<b>6,044.90</b>
<b>Total deferred tax assets/(Liabilities) (net)</b>	<b>(6,479.12)</b>	<b>(5,823.46)</b>

## Movement in Deferred tax assets /(liabilities)

Particulars	Balance as at March 31, 2023	Recognised in Profit & loss	Recognised in OCI	Balance as at March 31, 2024
Employee benefits	137.82	102.95	9.92	250.69
Other items	-	81.77	-	81.77
Lease liabilities	2.32	31.52	-	33.84
MAT credit	81.31	-	-	81.31
<b>Total Deferred tax assets</b>	<b>221.44</b>	<b>216.24</b>	<b>9.92</b>	<b>447.61</b>
Set-off of deferred tax liabilities pursuant to set-off provisions	-	-	-	-
- Property, plant and equipment	4,067.50	75.58	-	4,143.08
- Mutual Fund Investments-Debt	237.08	586.03	-	823.12
- Mutual Fund Investments-Equity	-	213.84	-	213.84
- Others - Federal, NJ State tax	1,740.32	6.37	-	1,746.69
<b>Total deferred tax liabilities</b>	<b>6,044.90</b>	<b>881.82</b>	<b>-</b>	<b>6,926.73</b>
<b>Total</b>	<b>(5,823.46)</b>	<b>(665.58)</b>	<b>9.92</b>	<b>(6,479.12)</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## Movement in Deferred tax assets /(liabilities)

Particulars	Balance as at March 31, 2022	Recognised in Profit & loss	Recognised in OCI	Balance as at March 31, 2023
Employee benefits	138.28	(9.31)	8.85	137.82
Other items	5.48	(5.48)	-	-
Lease liabilities	3.73	(1.41)	-	2.32
MAT credit	81.31	-	-	81.31
<b>Total Deferred tax assets</b>	<b>228.79</b>	<b>(16.20)</b>	<b>8.85</b>	<b>221.44</b>
Set-off of deferred tax liabilities pursuant to set-off provisions	-	-	-	-
- Property, plant and equipment	3,793.02	274.48	-	4,067.50
- Mutual Fund Investments-Debt	94.01	143.07	-	237.08
- Mutual Fund Investments-Equity	-	-	-	-
- Others - Federal, NJ State tax	1,773.27	(32.95)	-	1,740.32
<b>Total deferred tax liabilities</b>	<b>5,660.30</b>	<b>384.60</b>	-	<b>6,044.90</b>
<b>Total</b>	<b>(5,431.51)</b>	<b>(400.80)</b>	<b>8.85</b>	<b>(5,823.46)</b>

## 13(a) Non-Current borrowings

Particulars	March 31, 2024	March 31, 2023
<b>Secured</b>		
<b>Foreign currency loans from bank</b>		
FCNR(B) Term Loan from State Bank of India	-	456.42
Terms of repayment : The term loan is repayable in 20 equal quarterly installments starting from June 2021 (Refer Note a(ii) below Note 13(b))		
<b>Total Non-Current Borrowings</b>	<b>-</b>	<b>456.42</b>

## 13(b) Current borrowings

Particulars	March 31, 2024	March 31, 2022
<b>Secured</b>		
<b>Foreign currency loans from banks (repayable on demand)</b>		
Working Capital Loans from State Bank of India (Refer Note (i) below)	2,961.00	3,494.35
Working Capital Loans from Bank of Bahrain & Kuwait (Refer Note (i) below)	896.53	965.43
<b>Foreign currency loans from bank</b>		
FCNR(B) Term Loan from State Bank of India (Refer Note (ii) below)	-	2,000.00
<b>Total Current Borrowings</b>	<b>3,857.53</b>	<b>6,459.78</b>

### Notes:

#### a. Details of Current Borrowings

##### (i). Rate of Interest, Nature of Security and Terms of repayment of working capital loan

Current borrowings are availed in foreign currency. All secured working capital loans are packing credit foreign currency loans secured by hypothecation on stocks, Receivables and Other current assets of the group and second charge on fixed



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

assets at Pashamylaram and FDC units of the group. Interest rate 3 / 6 M SOFR + 80 bps i.e 6.26% p.a with monthly rest charged by State bank of India and 3 / 6 M SOFR + 125 bps i.e 6.71% by Bank of Bahrain & Kuwait.

## (ii) Rate of Interest , Nature of security and Terms of repayment of Term Loan\*:

The loan is secured by Mortgage of land and building and plant and machinery embedded to earth, Hypothecation of movable fixed assets like furniture, computers etc. Situated at Pashamylaram unit and FDC Block. Interest rate being MCLR - 6M + 150 bps, present effective rate being 9.90%.p.a with monthly rests. Interest will be reset every six months. FCNR(B) -6M LIBOR/SOFR + 200bps (for a period of six months)

The Group has used the borrowings for the purposes for which it was taken.

The quarterly returns of current assets filed by the Group with banks are in agreement with the books of account.

## 13(c) Trade payables

Particulars	March 31, 2024	March 31, 2023
Total outstanding dues of micro enterprises and small enterprises (Refer Note below)	1,707.39	1,384.24
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,528.35	5,624.92
<b>Total trade payables</b>	<b>4,235.74</b>	<b>7,009.16</b>

### Ageing for trade payables - Outstanding as at March 31, 2024 is as follows :

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
(i) MSME	1,692.83	14.56	-	-	-	1,707.39
(ii) Others	2,039.05	484.69	0.00	4.48	0.13	2,528.35
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
<b>Balance at the end of the year</b>	<b>3,731.88</b>	<b>499.24</b>	<b>0.00</b>	<b>4.48</b>	<b>0.13</b>	<b>4,235.74</b>

### Ageing for trade payables - Outstanding as at March 31, 2023 is as follows :

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
(i) MSME	1,349.29	34.95	-	-	-	1,384.24
(ii) Others	3,601.80	1,999.54	5.08	18.50	-	5,624.92
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
<b>Balance at the end of the year</b>	<b>4,951.09</b>	<b>2,034.49</b>	<b>5.08</b>	<b>18.50</b>	<b>-</b>	<b>7,009.16</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## 13(d) Other Financial liabilities

Particulars	March 31, 2024	March 31, 2023
<b>Current</b>		
Liabilities for expenses	-	1.23
Capital creditors	388.37	862.13
Unclaimed dividend on equity shares *	101.82	105.72
Employees payable	393.46	671.40
<b>Total other current financial liabilities</b>	<b>883.65</b>	<b>1,640.48</b>

\*As at March 31, 2024, there has been no amount due and outstanding to be transferred to IEPF (Investor Education and Protection Fund)

## Note 14: Current tax asset (net)

Particulars	March 31, 2024	March 31, 2023
Advance Tax Paid	10,914.40	14,432.15
Less: Provision for income tax	9,915.96	14,461.54
<b>Total Current tax Asset / (liability)</b>	<b>998.44</b>	<b>(29.39)</b>

## Note 15: Other current liabilities

Particulars	March 31, 2024	March 31, 2023
Contract liabilities	68.87	80.77
Statutory liabilities	294.87	214.50
Liabilities towards Corporate Social Responsibilities ( refer Note-24(b))	356.00	-
<b>Total other current liabilities</b>	<b>719.74</b>	<b>295.27</b>

## Note 16: Revenue from operations

Particulars	March 31, 2024	March 31, 2023
<b>Revenue from contracts with customers</b>		
Sale of Products	98,765.25	1,28,485.45
Sale of Services	4,819.40	4,625.56
	<b>1,03,584.65</b>	<b>1,33,111.00</b>
<b>Other Operating Revenue</b>		
RoDTEP Incentive*	624.50	-
Duty Drawback Received	926.22	921.87
	<b>1,550.72</b>	<b>921.87</b>
	<b>1,05,135.37</b>	<b>1,34,032.88</b>

\*Incentive in the form of duty credit scrip upon sale of exports under Merchandise Exports from India Scheme & RoDTEP under Foreign Trade Policy of India

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## (a) Reconciliation of revenue from sale of products with contracted price

Particulars	March 31, 2024	March 31, 2023
Contracted price	98,765.98	1,28,601.30
Less:		
i) Sales returns	0.73	115.85
ii) Discounts and rebates	-	-
<b>Revenue from sale of products</b>	<b>98,765.25</b>	<b>1,28,485.45</b>

## (b) Disaggregation of Revenue based on location of customer

Region	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Related party	Non related party	Related Party	Non related Party
USA	-	15,025.86	-	8,339.01
Europe	-	73,622.83	-	1,16,177.39
India	241.41	9,150.76	614.27	1,979.08
Rest of the world	-	5,543.79	-	6,001.26
<b>Total</b>	<b>241.41</b>	<b>1,03,343.24</b>	<b>614.27</b>	<b>1,32,496.73</b>

## Contract balances

Particulars	March 31, 2024	March 31, 2023
Trade receivables (Refer Note-6(d))	13,365.92	11,093.93
Contract liabilities (Refer Note-15)	68.87	80.77

## Note 17: Other income

Particulars	March 31, 2024	March 31, 2023
<b>Interest income</b>		
On Security and other deposits carried at amortised cost	6.81	-
On fixed deposits at amortised cost	12.22	8.59
On debentures at amortised cost	83.92	493.62
Others	98.59	80.95
<b>Other Non-operative income</b>		
Liabilities no longer required written back	27.31	11.70
Facility Charges	99.02	95.63
Foreign Exchange Gain (Net)	812.26	2,143.78
Gain on Financial Assets	4,491.05	1,568.70
Miscellaneous Income	559.32	233.41
	<b>6,190.51</b>	<b>4,636.38</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## Note 18: Cost of materials consumed

Particulars	March 31, 2024	March 31, 2023
<b>Raw Materials</b>		
Raw Material at the beginning of the year	7,743.96	7,290.28
Purchases during the year	23,147.99	42,845.07
Less: Raw Material at the end of the year	4,688.13	7,743.96
Add: Provision for closing stock	19.49	-
	<b>26,223.31</b>	<b>42,391.39</b>
<b>Packing Materials</b>		
Packing Material at the beginning of the year	368.91	255.25
Purchases during the year	388.48	730.16
Less: Packing Material at the end of the year	392.80	368.91
	<b>364.59</b>	<b>616.49</b>
	<b>26,587.90</b>	<b>43,007.88</b>

## Note 19: Changes in inventories of work-in-progress and finished goods

Particulars	March 31, 2024	March 31, 2023
<b>Opening Balance:</b>		
Work-in-progress	11,348.32	13,175.05
Finished Goods	9,913.54	5,992.39
<b>Total opening balance</b>	<b>21,261.87</b>	<b>19,167.44</b>
<b>Closing Balance:</b>		
Work-in-progress	10,062.44	11,348.32
Finished Goods	6,283.87	9,913.54
<b>Total closing balance</b>	<b>16,346.31</b>	<b>21,261.87</b>
	<b>4,915.55</b>	<b>(2,094.42)</b>

## Note 20: Manufacturing expenses

Particulars	March 31, 2024	March 31, 2023
Power & Fuel	4,829.51	7,392.73
Consumable Stores	280.59	194.35
Factory Maintenance	3,977.22	4,288.48
Environment Management Expenses	944.09	2,046.28
Safety Expenses	137.03	116.40
Quality Control Expenses	1,590.11	1,959.77
Repairs & Maintenance:		
Buildings	41.02	38.14
Plant & Machinery	1,548.04	1,669.88
	<b>13,347.60</b>	<b>17,706.03</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## Note 21: Employee benefits expense

Particulars	March 31, 2024	March 31, 2023
Salaries, wages & Bonus	12,077.78	10,671.08
Contribution to Provident & other funds	735.83	616.75
Gratuity Expense (Refer Note -11)	246.15	222.33
Staff Welfare Expenses	332.81	314.73
Employee compensation Expense (Refer Note-26)	199.45	-
	<b>13,592.02</b>	<b>11,824.89</b>

## Note 22: Finance costs

Particulars	March 31, 2024	March 31, 2023
Interest expense at amortized cost		
On Borrowings	286.68	529.80
On bill discount	284.08	662.76
On Lease Liability	124.02	12.60
On MSME	0.79	1.23
Other Borrowing cost	49.53	74.70
	<b>745.11</b>	<b>1,281.09</b>

## Note 23: Depreciation and amortisation expense

Particulars	March 31, 2024	March 31, 2023
Depreciation of property, plant and equipment (Refer Note 3)	5,104.33	4,605.90
Amortisation of intangible assets (Refer Note 4)	40.98	40.09
Depreciation of Right of Use Asset (Refer Note 5)	304.93	152.65
Amortisation of prepaid rent	9.31	-
	<b>5,459.56</b>	<b>4,798.63</b>

## Note 24: Other expenses

Particulars	March 31, 2024	March 31, 2023
Rent	88.12	-
Rates & Taxes	57.52	45.97
Insurance	1,000.99	885.78
Communication Charges	64.34	52.24
Travelling & Conveyance	936.61	856.74
Printing & Stationery	64.02	75.59
Vehicle Maintenance	22.79	32.03
Professional Charges	412.13	543.59
Payments to Auditors (Refer Note 24 (a) below)*	49.08	44.56
Security Charges	369.41	344.82



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2024	March 31, 2023
Repairs & Maintenance - others	157.21	170.35
Loss on sale of Property, Plant and equipment	6.75	0.65
Corporate Social Responsibility (Refer Note 24 (b) below)	1,134.12	989.23
Sales Promotion	347.75	348.93
Clearing & Forwarding	487.46	1,276.45
Commission on Sales	199.45	138.21
Merger expenses*	322.43	-
General Expenses	390.79	367.04
	<b>6,110.97</b>	<b>6,172.19</b>

## Note 24(a): Details of payments to auditors

Particulars	March 31, 2024	March 31, 2023
<b>Payment to auditors</b>		
<b>As auditor:</b>		
(i) Statutory Auditor Fees	27.00	27.70
(ii) Tax audit fees	6.50	6.50
(iii) Other services	12.85	8.50
(iv) Re-imbusement of out-of-pocket expenses	2.73	1.86
(v) Other Certifications for merger*	10.00	-
	<b>59.08</b>	<b>44.56</b>

\*Expenses pertaining to merger certifications from auditors are included in merger expenses under other expenses

## Note 24(b): Corporate social responsibility expenditure

Particulars	March 31, 2024	March 31, 2023
Amount required to be spent as per section 135 of the Act	1,134.12	989.23
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purpose other than (i) above	778.12	989.23
-Shortfall at the end of the year	356.00	-

### Reason for shortfall

Two ongoing projects, Developing a Chemistry Laboratory and Upgradation of Schools, are classified as such due to infrastructure creation/refurbishment timelines exceeding one year. The total allocation of ₹356 lakhs remains unspent due to the ongoing nature of the projects and has been transferred to Unspent CSR account.

### Nature of CSR Activities

Promoting education and skill development initiatives, community development initiatives, national heritage and development programs and other social and research/ development projects.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## Note 25: Income tax expense

This note provides an analysis of the Group's income tax expense, show amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Group's tax positions.

Particulars	March 31, 2024	March 31, 2023
<b>(a) Income tax expense</b>		
<b>Current tax</b>		
Current tax on profits for the year	9,957.54	14,627.43
Adjustments for current tax of prior periods	(77.64)	(217.23)
<b>Total current tax expense</b>	<b>9,879.89</b>	<b>14,410.20</b>
<b>Deferred tax</b>		
Increase/(decrease) in deferred tax liabilities, net	649.29	424.90
<b>Total Deferred tax expense/(benefit)</b>	<b>649.29</b>	<b>424.90</b>
<b>Income tax expense</b>	<b>10,529.18</b>	<b>14,835.10</b>
<b>Income tax expense is attributable to:</b>		
<b>Profit from operations</b>	<b>10,529.18</b>	<b>14,835.10</b>

## (b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	March 31, 2024	March 31, 2023
Profit from operations before income tax expenses	40,567.16	55,972.98
<b>Tax at the Indian tax rate of 25.168%</b>	<b>10,209.94</b>	<b>14,087.28</b>
<b>Computed expected tax expense:</b>		
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</b>		
CSR Expenditure	285.44	248.97
Variable Pay	55.12	-
Loss on sale of assets	1.70	0.16
Interest on Income tax	-	68.42
Non taxable Subsidiaries and Effect of Differential tax rate under Various Jurisdiction Overseas tax	221.37	659.76
Interest on MSMED	0.20	0.31
<b>Income tax paid at special rate</b>		
Royalty	(33.56)	(12.38)
Equity Mutual Funds	(131.15)	-
Prior year taxes	(77.64)	(217.23)
Others	(2.22)	(0.19)
<b>Income tax expenses</b>	<b>10,529.18</b>	<b>14,835.10</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## Note 26: Share based payments

### A. Employees Stock Option Plan (ESOP 2023)

The Group instituted an Employee Stock Option Scheme 2023 ("ESOP") to eligible employees which provides for a grant of 65,94,308 options (each option convertible into 1 equity share based on MoM matrix) to employees. Grant date of option is 27 February 2024.

#### Terms of options

Vesting period : based on vesting schedule as set out in letter of grant though service period shall be minimum 1 year and not latter than 10 years from date of grant, Performance based options to vest only upon Investor exit event (full or partial) in ratio of MoM on date of exit. Number of ESOP vesting shall be proportionate to the percentage exit by the Investor

<b>Grant date</b>	<b>27-Feb-24</b>
Exercise price	495
No. of Options	Minimum- 15,28,942 Maximum- 65,94,308
Exercise period	Maximum period of 3 years from the date of Vesting.
Method of settlement (cash/equity)	Equity shares

The fair value of the share options is estimated at the grant date using Monte Carlo Simulation Pricing ("MCS") method, taking into account the terms and conditions upon which the share options were granted

#### The details of the activity under the scheme has been summarised below:

Description	March 31, 2024	March 31, 2023
Outstanding at the beginning of the year	-	-
Exercisable at the beginning of the year	-	-
Granted during the year *	65,94,308	-
Forfeited during the year	-	-
Exercised during the year	-	-
Vested during the year	-	-
Expired during the period	-	-
Transferred during the period	-	-
Outstanding at the end of the year	65,94,308	-
Exercisable at the end of the year	-	-
Weighted average remaining contractual life (in years)	5.5 years	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## Valuation of ESOP Scheme

The Monte Carlo Simulation Pricing (“MCS”) method has been used for computing the fair value for stock options considering the following inputs:

Particulars	March 31, 2024	March 31, 2023
Weighted average share price/ market price per share (INR per share)	664.55	NA
Exercise price (INR per share)	495	NA
Dividend yield	0.00%	NA
Expected Life of options granted (vesting and exercise price in years)	5.5 years	NA
Average risk free interest rate	10%	NA
Expected Volatility	22.30%	NA
Fair value of option per equity share	226.96	NA
Any Other input to the model	NA	NA

## B. Effect of employee stock option plan on the Statement of Profit and Loss and on its financial position

Particulars	March 31, 2024	March 31, 2023
Total employee compensation cost pertaining to stock option plan	199.45	-
Employee Stock option plan (ESOP) reserve	199.45	-

## Financial instruments and risk management

### Note 27: Fair value measurements

Particulars	March 31, 2024			March 31, 2023		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>						
Investments						
-Equity Investment	7.05	13,051.14	-	-	11,709.66	-
-Mutual funds and debentures	77,389.55		-	41,893.50		-
Trade Receivables	-		13,365.92	-		11,093.93
Loans	-		83.83	-		21.54
Security deposits	-		980.07	-		619.36
Cash and Cash equivalents	-		4,723.12	-		6,480.28
Bank Balances	-		101.82	-		105.72
Fixed Deposits with Banks and Interest thereon	-		224.95	-		215.40
<b>Total Financial Assets</b>	<b>77,396.60</b>	<b>13,051.14</b>	<b>19,479.71</b>	<b>41,893.50</b>	<b>11,709.66</b>	<b>18,536.24</b>
<b>Financial Liabilities</b>						
Borrowings	-		3,857.53	-		6,916.19
Unpaid dividends	-		101.82	-		105.72
Trade Payables	-		4,235.74	-		7,009.16

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	March 31, 2024			March 31, 2023		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Capital creditors	-	-	388.37	-	-	862.13
Liability for expenses	-	-	-	-	-	1.23
Employees payable	-	-	393.46	-	-	671.40
Lease liability	-	-	2,642.11	-	-	117.88
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>11,619.03</b>	<b>-</b>	<b>-</b>	<b>15,683.72</b>

The management assessed that cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Further, the management has assessed that the fair value of borrowings approximates their carrying amounts largely since they are carried at floating rate of interest. 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.

## (i) Fair value hierarchy

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

Level 1: Level 1 hierarchy includes quoted prices taken from the market.

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

Level 3: Inputs are not based on observable market data (unobservable inputs).

Financial assets measured at fair value	Notes	Level 1	Level 2	Level 3	Total
<b>As at March 31, 2024</b>					
<b>Financial assets</b>					
Equity Investment	6(a)(i)	-	-	13,058.19	13,058.19
Investment in mutual funds and Debentures	6(a)(ii)	77,389.55	-	-	77,389.99
<b>Total Financial Assets</b>		<b>77,389.55</b>	<b>-</b>	<b>13,058.19</b>	<b>90,447.74</b>
<b>As at March 31, 2023</b>					
<b>Financial assets</b>					
Equity Investment	6(a)(i)	-	-	11,709.66	11,709.66
Investment in mutual funds and Debentures	6(a)(ii)	41,893.50	-	-	41,893.50
<b>Total Financial Assets</b>		<b>41,893.50</b>	<b>-</b>	<b>11,709.66</b>	<b>53,603.16</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## Note 28: Financial Risk management

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports to the board of directors on its activities.

Risk	Exposure arising from	Measurement	Management Comment
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortized cost	Ageing analysis	Diversification of bank deposits and monitoring of credit limits of customers
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupees	Cash flow forecasting Sensitivity analysis	All USD related Import commitment are covered by snapping from the export USD through EEFC account
Market risk - interest risk	Long-term borrowings at variable rates	Sensitivity analysis	Interest rates were Libor plus rate of interest fixed for the full term of the loan
Market risk - security prices	Investments in Mutual funds	Sensitivity analysis	Portfolio diversification

The Group's risk management is carried out by the management. Group treasury identifies, evaluates and hedges financial risk in close cooperation with the Group's operating units. The management provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk, and investment of excess liquidity.

### (A) Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Group result in material concentration of credit risk.

#### i) Financial instruments and cash deposits

For banks and financial institutions, only high rated banks/ institutions are accepted. Other Financial assets (excluding Bank deposits) majorly constitute deposits given to State electricity departments for supply of power, which the group considers to have negligible credit exposure. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

#### ii) Expected credit loss for trade receivables under simplified approach

For trade receivables, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## Year ended March 31, 2024

Ageing	0-30 days	31-60 days	61-90 days	91-120 days	More than 120 days	Total
Gross carrying amount	4,801.75	5,244.28	3,307.98	-	11.91	13,365.92
Expected loss rate	0%	0%	0%	0%	0%	0%
Expected credit losses(loss allowance provision)	-	-	-	-	-	-
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>4,801.75</b>	<b>5,244.28</b>	<b>3,307.98</b>	<b>-</b>	<b>11.91</b>	<b>13,365.92</b>

## Year ended March 31, 2023

Ageing	0-30 days	31-60 days	61-90 days	91-120 days	Morethan 120 days	Total
Gross carrying amount	3,209.48	4,675.60	692.15	1,585.62	931.09	11,093.93
Expected loss rate	0%	0%	0%	0%	0%	0%
Expected credit losses(loss allowance provision)	-	-	-	-	-	-
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>3,209.48</b>	<b>4,675.60</b>	<b>692.15</b>	<b>1,585.62</b>	<b>931.09</b>	<b>11,093.93</b>

### (B) Liquidity Risk:

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to dynamic nature of the underlying business, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the group in accordance with practice and limits set by the group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The table below summarises the maturity profile of the Group financial liabilities based on contractual undiscounted payments.

Year ended March 31, 2024	On Demand	< 12 months	>1 year	Total
(i) Borrowings	3,857.53	-	-	3,857.53
(ii) Trade payables	-	4,235.74	-	4,235.74
(iii) Other financial liabilities	101.82	781.83	-	883.65
	<b>3,959.34</b>	<b>5,017.57</b>	<b>-</b>	<b>8,976.91</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Year ended March 31, 2023	On Demand	< 12 months	>1 year	Total
(i) Borrowings	4,459.78	2,000.00	456.42	6,916.19
(ii) Trade payables	-	7,009.16	-	7,009.16
(iii) Other financial liabilities	105.72	1,534.76	-	1,640.48
	<b>4,565.50</b>	<b>10,543.92</b>	<b>456.42</b>	<b>15,565.84</b>

## C) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Group's exposure to market risk is primarily on account of foreign currency exchange rate risk and interest rate risk.

### (i) 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 appreciates relative to these foreign currencies, the Group's revenues and expenses measured in Indian rupees may decrease exchange rates in respect of its highly probable forecasted transactions and recognised assets and liabilities

#### (a) Foreign currency risk exposure:

The group's exposure to foreign currency risk at the end of the reporting period expressed in INR Lakhs are as follows:

Particulars	As at March 31, 2024	
	USD	EUR
<b>Financial assets</b>		
Cash and Cash equivalents	220.81	-
Trade receivables(Net)	13,255.86	-
<b>Financial Liabilities</b>		
Borrowings	3,857.53	-
Trade payables(Net)	311.07	-
Other financial liabilities	153.86	-

Particulars	As at March 31, 2023	
	USD	EUR
<b>Financial assets</b>		
Cash and Cash equivalents	3,460.14	-
Trade receivables	10,717.06	155.16
<b>Financial Liabilities</b>		
Borrowings	6,916.19	-
Trade payables(Net)	2,026.95	-
Other financial liabilities	27.76	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## D) Market risk - interest risk

### (ii) Cash flow and fair value interest rate risk

The group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cashflow interest rate risk.

#### (a) Interest rate risk exposure

The exposure of the group's borrowings to interest rate changes at the end of the reporting period are as follows:

Particulars	March 31, 2024	March 31, 2023
Variable rate borrowings	3,857.53	6,916.19
Fixed rate borrowings	-	-
<b>Total borrowings</b>	<b>3,857.53</b>	<b>6,916.19</b>

#### (b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of increase/decrease in the fair value of cash flow hedges related to the borrowings if any

Particulars	Impact on Profit after tax		Impact on Other components of equity	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Interest rates-increase by 100 basis points	135.99	502.02	-	-
Interest rates-decrease by 100 basis points	97.40	299.86	-	-

## Note 29: Capital Management

### (a) Risk management

The Group's objective when managing capital are to:

1. Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
2. Maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts

Consistent with others in the industry, the group monitors capital on the basis of the following gearing ratio: -Net debt (total borrowings net of cash and cash equivalents) divided by total equity (as shown in the balance sheet)

Particulars	March 31, 2024	March 31, 2023
Net Debt	(865.59)	435.92
Total Equity	2,05,066.35	1,73,518.43
Net Debt to Equity ratio	-	0.00

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## Note 30: Segment Information

### Business Segment

Segments have been identified and reported taking into account the nature of products, the differing risk and returns, the organisation structure, and the internal financial reporting scheme. The group has identified the following segments as its reportable segments:

- I. Manufacturing (CRAMS) - Bulk Drugs & Intermediates under contract services products are developed and produced on an exclusive basis under contract Manufacturing services

As the Group has identified single operating segment i.e. Manufacturing (CRAMS) - Bulk Drugs & Intermediates & Services. Therefore analysis business segment is not required.

### Geographical Segment

The Group has identified the following geographical reportable segments:

- (a) India - The Group sells Bulk Drugs and Intermediates, Fine Chemicals & Services.
- (b) USA - The Group sells Intermediates & Services
- (c) Europe - The Group sells Bulk Drugs and Intermediates
- (d) Rest of the world - The Group sells Bulk Drugs, Intermediates & Services

Region	Revenue for the year ended		Value of Non Current Assets (Except Financial Instrument) as at		Additions to Non current Assets (Except Financial Instrument) during the year	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
INDIA	9,392.17	2,593.35	85,093.88	83,159.83	8,276.06	18,403.64
U S A	15,025.86	8,339.01	-	6.86	-	5.11
EUROPE	73,622.83	1,16,177.39	-	-	-	-
Rest of the world	5,543.79	6,001.26	-	-	-	-
	<b>1,03,584.65</b>	<b>1,33,111.00</b>	<b>85,093.88</b>	<b>83,166.69</b>	<b>8,276.06</b>	<b>18,408.75</b>

## Note 31: Disclosure of Related Party Transactions in accordance with Ind AS - 24 Related Party Disclosures

### (i) Name of the Related Party and description of Relationship

- (a) **Ultimate Holding company** : Advent group (w.e.f September 29, 2023)
- (b) **Promoter** : Berhyanda Limited (w.e.f September 29, 2023)  
: Jasti Property and Equity Holdings Private Limited (till January 12, 2024)\*
- (c) **Enterprise over which key managerial personnel or their relatives exercise significant influence**  
: Suven Life Sciences Limited (till January 12, 2024)\*\*  
: Suven Neurosciences Inc., (till January 12, 2024)\*\*  
: Cohance Lifesciences Limited (w.e.f September 29, 2023)
- (d) **Key Management personnel (KMP)** : Mr. Annaswamy Vaidheesh Chairman  
(w.e.f September 29, 2023)  
: Mr. Venkatanaga Kali Vara Prasada Raju Vetukuri Managing Director  
(w.e.f September 29, 2023)  
: Mr. Sudhir Kumar Singh (w.e.f September 29, 2023) CEO



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

: Mr. Himanshu Agarwal (w.e.f January 2, 2024)	CFO
: Mr. Pankaj Patwari (w.e.f September 29, 2023)	Non-executive Director
: Mrs. Shweta Jalan (w.e.f November 9, 2023)	Non-executive Director
: Mr. Vinod Rao (w.e.f September 29, 2023)	Independent Director
: Mr. Kumarapuram Gopalakrishnan Ananthakrishnan (w.e.f September 29, 2023)	Independent Director
: Mr. Matangi Gowrishankar (w.e.f September 29, 2023)	Independent Director
: Mr. Pravin Udhayavara Bhadya Rao (w.e.f November 9, 2023)	Independent Director
: Mr. Venkateswarlu Jasti (till January 12, 2024)*	Managing Director
: Mr. P.Subbarao (till January 2, 2024)	CFO
: Mr. D. G. Prasad (till September 29, 2023)	Independent Director
: Dr. V Sambasiva Rao (till September 29, 2023)	Independent Director
: Ms. Deepanwita Chattopadhyay (till September 29, 2023)	Independent Director
: Mr. J. V. Ramudu (till September 29, 2023)	Non-executive Director
: Dr. Jerry Jeyasingh (till September 29, 2023)	Non-executive Director

## (e) Relative of Key Management personnel

: Mrs. Sudha Rani Jasti (till January 12, 2024)*	Spouse of Mr. Venkateswarlu Jasti
: Mrs. Kalyani Jasti (till January 12, 2024)*	Daughter of Mr. Venkateswarlu Jasti
: Mrs. Madhavi Jasti (till January 12, 2024)*	Daughter of Mr. Venkateswarlu Jasti
: Mrs. Sirisha Jasti (till January 12, 2024)*	Daughter of Mr. Venkateswarlu Jasti

\*Jasti Property and Equity Holdings Private Limited and others are not promoters from September 29, 2023 but reclassification of the promoter is made on January 12, 2024.

\*\*Suven Life Sciences Limited and Suven Neurosciences Inc. no longer exercised significant influence from September 29, 2023, but the promoter's reclassification was made on January 12, 2024.

## (a) Promoter

Name	Type	Place of Incorporation	Ownership Interest	
			March 31, 2024	March 31, 2023
Berhyanda Limited	Promoter	Cyprus	50.10%	0.00%
Jasti Property and Equity Holdings Private Limited	Promoter	India	-	60.00%

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>(b) Transactions with enterprises over which key managerial personnel or their relatives exercise significant influence</b>		
<b>i) Suven Life Sciences Limited</b>		
Rental income	88.17	112.84
Sale of Goods & Rendering of Services	284.87	-
Service charges paid (Towards Testing and Analysis charges)	84.75	724.84

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>ii) Cohance Lifesciences Limited</b>		
Rental expenses	0.99	-
Balance outstanding	-	-
<b>(c) Key Management Personnel</b>		
<b>Remuneration*</b>		
Mr. Annaswamy Vaidheesh	256.17	-
Mr. Sudhir Kumar Singh	138.43	-
Mr. Himanshu Agarwal (w.e.f January 2, 2024)	156.30	-
Mr. Venkateswarlu Jasti (till January 12, 2024)	650.65	1,287.06
Mrs Kalyani Jasti (till January 12, 2024)	216.03	366.11
* Does not include expenditure on account of provision for Gratuity ,Compensated absences and variable pay computed for group as a whole.		
<b>Independent Director Remuneration</b>		
Mr.Vinod Rao (w.e.f September 29, 2023)	15.16	-
Mr. Kumarapuram Gopalakrishnan Ananthakrishnan (w.e.f September 29, 2023)	15.16	-
Mr. Matangi Gowrishankar (w.e.f September 29, 2023)	15.16	-
Mr. Pravin Udhyavara Bhadya Rao (w.e.f November 9, 2023)	11.86	-
<b>Director Sitting Fees</b>		
Ms. Deepanwita Chattopadhyay (till September 29, 2023)	2.67	4.00
Mr. J. V. Ramudu (till September 29, 2023)	2.89	5.33
Mr. D. G. Prasad (till September 29, 2023)	2.89	6.00
Dr. V Sambasiva Rao (till September 29, 2023)	2.89	6.00

## Note 32: Contingent Liabilities

Particulars	March 31, 2024	March 31, 2023
a) APIIC-JN Pharmacy, Parawada- Restoration fee & Delay condonation fee	606.69	606.69
b) Claims arising from disputes not acknowledged - indirect taxes (GST)	978.53	-
	<b>1,585.23</b>	<b>606.69</b>

## Note 33: Commitments

Particulars	March 31, 2024	March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for , net of Payments(including advances)	4,044.73	3,436.53
	<b>4,044.73</b>	<b>3,436.53</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

## Note 34A: Earnings per share

Particulars	March 31, 2024	March 31, 2023
Profit After Tax (PAT)	30,028.06	41,129.03
Weighted average number of equity shares for Basic EPS	25,45,64,956	25,45,64,956
Add: Dilution Effect	-	-
Weighted average number of equity shares for Diluted EPS	25,45,64,956	25,45,64,956
Basic Earnings Per Share	11.80	16.16
Diluted Earnings Per Share	11.80	16.16

ESOPs have not been considered in the calculation of diluted EPS as the vesting conditions have not been met at reporting date.

## Note 34B

On February 29, 2024, the Board of Directors approved the draft Scheme of Amalgamation of Cohance Lifesciences Limited, an Advent-managed group company, into the company, pending necessary statutory and stakeholder approvals. Additionally, on the same date, they approved the Scheme of Amalgamation of Casper Pharma Private Limited, a wholly-owned subsidiary, into the company, subject to statutory approvals. The company has submitted applications to BSE and NSE seeking their NOC to approach the Hon'ble NCLT, Bench at Mumbai, for appropriate directions.

## Note 35 : ADDITIONAL STATUTORY INFORMATION IN RESPECT OF THE COMPONENTS OF SPL AND ITS CONSOLIDATED ENTITIES

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
<b>As at and for the year ended March 31, 2024</b>								
Parent								
Suven Pharmaceuticals Ltd.	100.26%	2,05,589.62	101.51%	30,481.61	104.91%	(29.50)	101.51%	30,452.11
<b>Indian Subsidiary:</b>								
Casper Pharma Private Limited	5.40%	11,072.75	-2.78%	(834.06)	10.08%	(2.83)	-2.79%	(836.89)
<b>Foreign Subsidiary:</b>								
Suven Pharma Inc.	6.21%	12,743.59	1.27%	380.52	-14.99%	4.22	1.28%	384.73
Non-controlling interests - Indian	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Non-controlling interests - Foreign	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>TOTAL</b>	<b>111.87%</b>	<b>2,29,405.96</b>	<b>100.00%</b>	<b>30,028.06</b>	<b>100.00%</b>	<b>(28.11)</b>	<b>100.00%</b>	<b>29,999.95</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
<b>Consolidation adjustments</b>	-11.87%	(24,339.61)	0.00%	-	0.00%	-	0.00%	-
<b>Net amount</b>	<b>100.00%</b>	<b>2,05,066.35</b>	<b>100.00%</b>	<b>30,028.06</b>	<b>100.00%</b>	<b>(28.11)</b>	<b>100.00%</b>	<b>29,999.95</b>
<b>As at and for the year ended March 31, 2023</b>								
Parent								
Suven Pharmaceuticals Ltd.	100.82%	1,74,938.06	105.54%	43,260.25	-72.05%	(26.31)	105.38%	43,233.94
<b>Indian Subsidiary:</b>								
Casper Pharma Private Limited	6.86%	11,909.64	-5.04%	(2,064.97)	20.92%	7.64	-5.01%	(2,057.33)
<b>Foreign Subsidiary:</b>								
Suven Pharma Inc.	7.12%	12,358.86	-0.50%	(205.30)	151.13%	55.19	-0.37%	(150.10)
Non-controlling interests - Indian	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Non-controlling interests - Foreign	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>TOTAL</b>	<b>114.80%</b>	<b>1,99,206.56</b>	<b>100.00%</b>	<b>40,989.98</b>	<b>100.00%</b>	<b>36.52</b>	<b>100.00%</b>	<b>41,026.50</b>
<b>Consolidation adjustments</b>	-14.80%	(25,688.14)	0.00%	-	0.00%	-	0.00%	-
<b>Net amount</b>	<b>100.00%</b>	<b>1,73,518.43</b>	<b>100.00%</b>	<b>40,989.98</b>	<b>100.00%</b>	<b>36.52</b>	<b>100.00%</b>	<b>41,026.50</b>

**Note:**

- The disclosure as above represents separate information for each of the consolidated entities before elimination of inter-company transactions. The net impacts on elimination of inter company transactions / profits / Consolidation adjustments have been disclosed separately. Based on the group structure, the management is of the view that the above disclosure is appropriate under requirements of The Companies Act, 2013.
- Percentages below 0.01% have been disclosed as 0.00%

**Note 36 : Other statutory information**

- There are no proceeding initiated or pending against the Parent Company or its Indian Subsidiary as at March 31, 2024, under Benami Property Transactions Act, 1988 (as amended in 2016).
- The Parent Company or its Indian subsidiary have not entered into any transaction with the companies struck off as per Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

*(All amounts in ₹ Lakhs, unless otherwise stated)*

- (iii) The Parent Company or its Indian subsidiary do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Parent Company or its Indian subsidiaries have not traded or invested in Crypto currency or virtual currency during the financial year.
- (v) The Parent Company or its Indian subsidiary are not declared a wilful defaulter by any bank or financial Institution or other lender.
- (vi) The Parent Company or its Indian subsidiary has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (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
- (vii) The Parent Company or its Indian subsidiary has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group 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,
- (viii) The Parent Company and its Indian subsidiary does not have any such transaction which is not recorded in the books of account 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
- (ix) All quarterly returns or statements of current assets are filed by the Parent Company or its Indian subsidiaries with banks or financial institutions and are in agreement with the books of account.
- (x) The loan has been utilised by the Parent Company and its Indian subsidiaries for the purpose for which it was obtained and no short term funds have been used for long term purpose.
- (xi) The Parent company and its subsidiaries have complied with the number of layers prescribed under the Companies Act, 2013 read with the Companies (Restriction on Number of Layers) Rules, 2017.
- (xii) No scheme of arrangement has been approved by the competent authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.

**Note 37 :** Previous year figures have been regrouped and reclassified wherever considered necessary to conform to this year's classifications



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

**Note 38 :** In connection with the preparation of the consolidated financial statements for the year ended March 31, 2024, the Board of Directors have confirmed the propriety of the contracts / agreements entered into by / on behalf of the Company and the resultant revenue earned / expenses incurred arising out of the same after reviewing the levels of authorisation and the available documentary evidences and the overall control environment. Further, the Board of Directors have also reviewed the realizable value of all the current assets of the Company and have confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognised in the consolidated financial statements. In addition, the Board has also confirmed the carrying value of the non-current assets in the financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these consolidated financial statements in its meeting held on May 30, 2024 in accordance with the provisions of Companies Act, 2013.

**Note 39 :** 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 was not enabled at application level till November 12, 2023 and is not enabled at the database level. Further no instances of audit trail feature being tampered with was noted in respect of those software.

As per our report of even date

**For KARVY & CO.**  
Chartered Accountants  
(Firm Reg. No.001757S)

**Ajay Kumar Kosaraju**  
Partner  
Membership No. 021989

Place : Hyderabad  
Date : May 30, 2024

**For and on behalf of the Board of Directors of  
Suven Pharmaceuticals Limited**

**Annaswamy Vaidheesh**  
Chairman  
DIN: 01444303

**Dr. V Prasada Raju**  
Managing Director  
DIN: 07267366

**Sudhir Kumar Singh**  
Chief Executive Officer

**Himanshu Agarwal**  
Chief Financial Officer

**K. Hanumantha Rao**  
Company Secretary  
Membership No. A11599

## FORM AOC -1

**Statement pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act 2013 read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary companies.**

### PART A : SUBSIDIARIES INFORMATION

Name of the subsidiary : Suven Pharma Inc.,  
 Reporting currency : USD  
 Exchange rate as on the last date of the relevant financial year in the case of Foreign subsidiaries : ₹82.25  
 Date of Incorporation : 09<sup>th</sup> March 2019

(Amounts in ₹ Lakhs)

Particulars	March 31, 2024
Share capital	11,860.24
Reserves & surplus	883.35
Total assets	14,490.29
Total Current liabilities	-
Turnover / Total Income	529.66
Profit/(loss) before taxation	523.79
Provision for Taxation	143.28
Profit/ (loss) after taxation	380.52
Proposed dividend	-
% of share holding	100%

Name of the subsidiary : Casper Pharma Private Limited  
 Reporting currency : INR  
 Date of Incorporation : 13<sup>th</sup> January 2016

(Amounts in ₹ Lakhs)

Particulars	March 31, 2024
Share capital	2,608.08
Reserves & surplus	8,464.67
Total assets	11,267.75
Total Current liabilities	145.87
Turnover / Total Income	3,042.68
Profit/(loss) before taxation	(834.06)
Provision for Taxation	-
Profit/ (loss) after taxation	(834.06)
Proposed dividend	-
% of share holding	100%

1. Names of subsidiaries which are yet to commence operations : NIL
2. Names of subsidiaries which have liquidated or sold during the year : NIL

**For and on behalf of the Board of Directors of  
 Suven Pharmaceuticals Limited**

**Annaswamy Vaidheesh**  
 Chairman  
 DIN: 01444303

**Dr. V Prasada Raju**  
 Managing Director  
 DIN: 07267366

**Sudhir Kumar Singh**  
 Chief Executive Officer

**Himanshu Agarwal**  
 Chief Financial Officer

**K. Hanumantha Rao**  
 Company Secretary  
 Membership No. A11599

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the Sixth Annual General Meeting of the Members of **SUVEN PHARMACEUTICALS LIMITED** will be held on **Friday, the 09<sup>th</sup> day of August 2024 at 04:30 p.m. IST** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following businesses:

## **ORDINARY BUSINESS**

### **ITEM NO. 1 – Adoption of financial statements**

To receive, consider and adopt the audited standalone and consolidated Balance Sheet as at 31<sup>st</sup> March, 2024, Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2024, Statement of Cash flows for the year ended 31<sup>st</sup> March 2024 and together with the Reports of the Board of Directors and the Auditor's Report thereon.

**"RESOLVED THAT** the audited standalone and consolidated financial statements 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."

### **ITEM NO. 2 – To Appoint Mr. Pankaj Patwari as a Director liable to retire by rotation**

To appoint a director in place of Mr. Pankaj Patwari, (DIN: 08206620) who retires by rotation, and being eligible, offers himself for re-appointment.

**"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Pankaj Patwari, (DIN: 08206620), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

### **ITEM NO. 3 - Appointment of Statutory Auditors of the Company:**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. Walker Chandio & Co LLP, Chartered Accountants, having firm registration No. 001076N/N500013 be and are hereby appointed as the Statutory Auditors of the Company for a period of five years, who shall hold office from the conclusion of this 6<sup>th</sup> Annual General Meeting until the conclusion of the 11<sup>th</sup> Annual General Meeting to be held in the year 2029 at such remuneration and out of pocket expenses, as may be agreed upon between the Board of Directors and Statutory Auditors."

Hyderabad, July 12, 2024

**Registered Office:** # 215 Atrium, C Wing, 8<sup>th</sup> Floor,  
819-821, Andheri Kurla Road, Chakala, Andheri East,  
Chakala Midc, Mumbai- 400093, Maharashtra, India  
CIN: L24299MH2018PLC422236

**Corporate Office:** # 202, A-Wing, Galaxy Towers,  
Plot No.1, Hyderabad Knowledge City, TSIC, Raidurg,  
Hyderabad - 500081, Telangana, India

**by order of the Board of Directors**

**K. Hanumantha Rao**  
Company Secretary  
Membership No. A11599

## NOTES FOR MEMBERS' ATTENTION:

1. The Ministry of Corporate Affairs, Government of India ("MCA"), and the Securities and Exchange Board of India ("SEBI"), allowed companies to conduct Annual General Meeting ("AGM") through video conference ("VC")/ other audio-visual means ("OAVM"), without the physical presence of Members at a common venue.

This AGM is being convened in compliance with applicable provisions of the Companies Act, 2013 ("Act") and the rules made thereunder; provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"); the General Circular No. 14/2020 dated 8<sup>th</sup> April 2020; General Circular No.17/2020 dated 13<sup>th</sup> April 2020; General Circular No. 20/2020 5<sup>th</sup> May 2020; General Circular No. 02/2021 dated 13<sup>th</sup> January, 2021; General Circular No. 02/2022 dated 05<sup>th</sup> May, 2022 and General Circular No. 10/2022, 28<sup>th</sup> December, 2022 and General Circular No. 09/2023 dated September 25, 2023 issued by the MCA and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15<sup>th</sup> January 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13<sup>th</sup> May, 2022, Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 05<sup>th</sup> January, 2023 and Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/167 dated October 7, 2023 issued by SEBI ("hereinafter collectively referred as MCA and SEBI Circulars"), the AGM of the Company is being conducted through VC/OAVM, hereinafter called as 'e-AGM'. The deemed venue for the AGM shall be the Registered Office of the Company.

2. Since the AGM will be held through VC/ OAVM, the Route Map of the venue of the Meeting is not annexed hereto.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. In terms of Section 152 of the Companies Act, 2013, Mr. Pankaj Patwari (DIN: 08206620), Director, retire by rotation at the meeting and being eligible, offers himself for re-appointment. The Board of Directors of the Company recommends his re-appointment. Brief profile of Director and relevant details pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, are given at the end of the notes.

5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.

6. Members attending the AGM through VC/ OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.

7. M/s. Karvy & Co., Chartered Accountants were appointed as Statutory Auditors of the Company from 01<sup>st</sup> Annual General Meeting till the conclusion of this 06<sup>th</sup> Annual General Meeting i.e. for a period of 5 (Five) years. The tenure of the auditors will expire upon conclusion of this 6<sup>th</sup> annual general meeting. The disclosure relating to auditor's remuneration for the year 2023-24 is given in the notes to the accounts.

8. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.:

**8.1. For shares held in electronic form:** Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts.

**8.2. For shares held in physical form:** SEBI vide its Circular dated 3<sup>rd</sup> November, 2021 and SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024 has mandated registration of PAN, KYC details and Nomination, by holders of physical securities. Members holding shares in physical form can submit their PAN, KYC details (i.e. postal address with pin code, email address, mobile number, bank

account details) and Nomination details by holders through duly filled and signed Form ISR-1 to the Company / KFin Technologies Limited, at Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032 or by email to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) from their registered email id. It may be noted that any service request or compliant can be processed only after the folio is KYC compliant.

9. The Company has notified that the Register of Members and the Share Transfer Books of the Company will remain closed from **Wednesday, August 07, 2024 to Friday, August 09, 2024 (both days inclusive)** for the purpose of AGM of the Company.
10. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company **on or before Friday, August 02, 2024** through email on [investorservices@suvenpharm.com](mailto:investorservices@suvenpharm.com). The same will be replied by the Company suitably.
11. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM.

All documents referred to in the Notice will also be available electronically for inspection without any fee by the members 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 [investorservices@suvenpharm.com](mailto:investorservices@suvenpharm.com)

12. In accordance with the provisions of Section 72 of the Act, Members can avail the facility of nomination in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13 to RTA. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form No. SH-14 or Form ISR-3, as the case may be, to RTA. The aforementioned forms are available on the Company's website at <https://suvenpharm.com/corporate-info/> and on the website of KFin Technologies Limited at <https://ris.kfintech.com/clientservices/isc/isrforms.aspx>. In case of shares held in dematerialized form, the nomination/ change in nomination should be lodged with their respective DPs.

13. Pursuant to Regulation 40(1) of Listing Regulations, as amended, mandates that transfer, transmission and transposition of securities of listed companies held in physical form shall be effected only in demat mode. Further, SEBI, vide its Circular dated 25<sup>th</sup> January, 2022, has clarified that listed companies, with immediate effect, shall issue the securities only in demat mode while processing investor service requests pertaining to issuance of duplicate shares, exchange of shares, endorsement, sub-division/ consolidation of share certificates, etc. In view of this as also to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to demat mode. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at <https://suvenpharm.com/corporate-info/#SRSsec> and on the website of the Company's Registrar and Transfer Agents, KFin Technologies Limited at [https://ris.kfintech.com/clientservices/isc/default.aspx#isc\\_download\\_hrd](https://ris.kfintech.com/clientservices/isc/default.aspx#isc_download_hrd). It may be noted that any service request can be processed only after the folio is KYC Compliant.

14. 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, read with Master Circular No. SEBI/HO/ OIAE/OIAE\_IAD-1/P/ CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), 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 through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>)

15. KFin Technologies Limited, Registrar and Share Transfer Agent ("RTA") of the Company has launched a unified platform "KPRISM" for the benefit of shareholders. KPRISM is a self-service portal can be

accessed at <https://ris.kfintech.com/default.aspx#> > Investor Services > Investor Support, that enables the shareholders to access their portfolios serviced by KFIN, and check details like dividend status and make request for annual reports, change of address, update bank mandate, download standard forms, etc.

Members are requested to register / signup, using the Name, PAN, Mobile and email ID. Post registration, user can login via OTP and execute activities like, raising Service Request, Query, Complaints, check for status, KYC details, Dividend, Interest, Redemptions, e-Meeting and e-Voting details. Quick link to access the signup page: <https://kprism.kfintech.com/signup>

16. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 March 16, 2023 (subsequently referred in Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024) has mandated that with effect from April 1, 2024, dividend to security holders (holding securities in physical form), shall be paid only through electronic mode. Such payment shall be made only after furnishing the PAN, choice of nomination, contact details including mobile number, bank account details and specimen signature. Further, relevant FAQs published by SEBI on its website can be viewed at the following link : [https://www.sebi.gov.in/sebi\\_data/faqfiles/jan-2024/1704433843359.pdf](https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf)

- 17. To support the “Green Initiative”, Members who have not registered their e-mail addresses so far are requested to register same with their DPs in case the shares are held by them in electronic form and with Kfin Tech in case the shares are held by them in physical form for receiving all communications including Annual Report, Notices, Circular, etc. from the Company in electronic mode.**

- 18. Unclaimed Dividends/ Transfer to Investor Education and Protection Fund:**

Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (“IEPF”). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.

- 19. Dispatch of Notice and Annual Report through electronic mode**

In compliance with the General Circular No. 14/2020 dated 8<sup>th</sup> April 2020; General Circular No.17/2020 dated 13<sup>th</sup> April 2020; General Circular No. 20/2020 5<sup>th</sup> May 2020; General Circular No. 02/2021 dated 13<sup>th</sup> January, 2021; General Circular No. 21/2021 dated 14<sup>th</sup> December, 2021, General Circular No. 2/2022 dated 05<sup>th</sup> May, 2022, General Circular No. 10/2022 dated 28<sup>th</sup> December, 2022 and General Circular No. 09/2023 dated September 25, 2023 issued by the MCA and Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May 2020; Circular No. SEBI/HO/ CFD/CMD2/ CIR/P/2021/11 dated 15<sup>th</sup> January 2021, Circular No. SEBI/HO/ CFD/CMD2/CIR/P/2022/62 dated 13<sup>th</sup> May 2022, Circular No. SEBI/HO/CFD/PoD-2/P/ CIR/2023/4 dated 05<sup>th</sup> January, 2023 and Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/167 dated October 7, 2023 issued by SEBI (“MCA and SEBI Circulars”), the Notice of AGM along with the Annual Report 2023-24 is being sent by electronic mode to those Members whose e-mail address is registered with the Company /Depositories, unless any Member has requested for a physical copy of the same. The Company shall send a physical copy of the Annual Report 2023-24 to those Members who request the same at [investorservices@suvphenarm.com](mailto:investorservices@suvphenarm.com) mentioning their Folio No. / DP ID and Client ID. Members may note that Notice and Annual Report 2023-24 will also be available on the Company’s website [www.suvphenarm.com](http://www.suvphenarm.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of the Company’s Registrar and Transfer Agent KFinTech at <https://evoting.kfintech.com>

20. Information and Instructions for joining the AGM through VC / OAVM and e-voting are as follows:

**20.1. PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:**

The Company will provide VC / OAVM facility to its Members for participating at the AGM.

- i). Members will be able to attend the AGM through VC / OAVM or view the live webcast at <https://emeetings.kfintech.com> by using their e-voting login credentials and selecting the ‘EVENT’ for the Company’s AGM. Further Members can also use the OTP based login for logging in.



Members are requested to follow the procedure given below:

- (i). Launch internet browser (chrome/firefox/safari) by typing the URL: <https://emeetings.kfintech.com>.
  - (ii). Enter the login credentials (i.e., User ID and password for e-voting).
  - (iii). After logging in, click on "Video Conference" option
  - (iv). Then click on camera icon appearing against AGM event of Suven Pharmaceuticals Limited, to attend the Meeting.
- ii). Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the procedure given in the E-voting instructions.
  - iii). Members may join the AGM through Laptops, Smartphones, Tablets or iPads for better experience. Further, Members will be required to use internet with a good speed to avoid any disturbance during the AGM. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Mozilla Firefox.
  - iv). Please note that participants connecting from Mobile Devices or Tablets or through Laptops 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 glitches. Members will be required to grant access to the web-cam to enable two-way video conferencing.
  - v). Facility to join the Meeting will be opened fifteen minutes before the scheduled time of the AGM and will be kept open throughout the proceedings of the AGM.
  - vi). Members will be allowed to participate in the AGM through VC / OAVM on first come, first served basis. Large Members (i.e. Members holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, etc. will not be subject to the aforesaid restriction of first-come-first-serve basis.
- vii). Members who would like to express their views or ask questions during the AGM may register themselves as speakers by logging on to <https://emeetings.kfintech.com> and clicking on the 'Speaker Registration' option available on the screen after login. The Speaker Registration will be open during **Monday, August 05, 2024 to Wednesday, August 07, 2024**. Only those members who are registered as speakers will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.
  - viii). Alternatively, members may also visit <https://emeetings.kfintech.com> and click on the tab 'Post Your Queries' and post their queries/views/questions in the window provided, by mentioning their name, demat account number/ folio number, email ID and mobile number. The window will be closed on **Wednesday, August 07, 2024 (5.00 p.m. IST)**.
  - ix). Facility to join the meeting shall be opened fifteen minutes before the scheduled time of the AGM and shall be kept open throughout the proceedings of the AGM.
  - x). Members who need assistance before or during the AGM, can contact KFinTech on [emeetings@kfintech.com](mailto:emeetings@kfintech.com) or call on toll free numbers 1800-309-4001. Kindly quote your name, DP ID-Client ID / Folio no. and E-voting Event Number in all your communications.

## 20.2. PROCEDURE FOR REMOTE E-VOTING AND E-VOTING AT THE AGM:

- i). Pursuant to the provisions of Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing to its members the facility to exercise their right to vote on the resolutions proposed to be passed in the Sixth Annual General Meeting (AGM) by electronic means ("e-voting") and the business may be transacted through e-voting facility. The members may cast

their votes remotely, using an electronic voting system from a place other than the venue of the Meeting ("remote e-voting")

Further, the facility for voting through electronic voting system will also be made available at the Meeting ("Insta Poll") and members attending the Meeting who have not cast their vote(s) by remote e-voting will be able to vote at the Meeting through Insta Poll.

- ii). The Company has engaged the services of KFin Tech as the agency to provide e-voting facility. 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 given below.
- iii). The remote e-voting facility will be available during the following voting period:  
**Commencement of remote e-voting: at 9:00 a.m. on Monday, August 05, 2024**  
**End of remote e-voting: at 5:00 p.m. on Thursday, August 08, 2024**
- iv). The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be forthwith disabled by KFinTech upon expiry of the aforesaid period. During the e-voting period, shareholders of the company, holding shares either in physical form or in dematerialised form, as on the cut-off date being **Friday, August 02, 2024** only shall be entitled to avail the facility of remote e-voting / Insta Poll.
- v). The members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/ OAVM but shall not be entitled to cast their vote again.

**Information and instructions relating to e-voting are as under:**

- i. The members who have cast their vote(s) by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote(s) again at the Meeting. Once the vote on a resolution is cast by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again.

- ii. A member can opt for only single mode of voting per EVEN, i.e., through remote e-voting or voting at the Meeting (Insta Poll). If a member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as "INVALID".
- iii. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, **i.e., Friday, August 02, 2024** only shall be entitled to avail the facility of remote e-voting or for participation at the AGM and voting through Insta Poll. A person who is not a member as on the cutoff date, should treat the Notice for information purpose only.
- iv. The Company has opted to provide the same electronic voting system at the Meeting, as used during remote e-voting, and the said facility shall be operational till all the resolutions proposed in the Notice are considered and voted upon at the Meeting and may be used for voting only by the members holding shares as on the cutoff date who are attending the Meeting and who have not already cast their vote(s) through remote e-voting.

**For Non Individual Shareholders holding shares in demat mode AND Shareholders holding shares in physical form:**

**A. In case a Member receives an e-mail from KFinTech [for Members whose e-mail IDs are registered with the Company/Depository Participant(s)]:**

- i). Launch internet browser by typing the URL: <https://evoting.kfintech.com>.
- ii). Enter the login credentials (i.e. User ID and password) which are mentioned in the e-mail received from KFinTech.

The E-Voting Event Number + Folio No. or DP ID Client ID will be your User ID. However, if you are already registered with KFinTech for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit <https://evoting.kfintech.com> or contact Karvy at toll-free number 1800-309-4001 (from 9:00 a.m. to 6:00 p.m.) for your existing password.

- iii). After entering these details appropriately, click on "LOGIN".

- iv). You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**
- v). You need to login again with the new credentials.
- vi). On successful login, the system will prompt you to select the E-Voting event for Suven Pharmaceuticals Limited.
- vii). On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under either 'FOR'/'AGAINST' or alternatively, you may partially enter any number under 'FOR'/'AGAINST', but the total number under 'FOR'/'AGAINST' taken together should not exceed your total shareholding as mentioned therein. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.
- viii). Members holding shares under multiple folios/demat accounts are requested to vote separately for each of their folios/demat accounts.
- ix). Voting has to be done for each item of this AGM Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as 'ABSTAINED'.
- x). You may then cast your vote by selecting an appropriate option and click on 'SUBMIT'.
- xi). A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote.
- xii). Corporate/ Institutional Members (i.e. other than Individuals, HUFs, NRIs, etc.) are also required to send legible scanned certified true copy (in PDF Format) of the Board Resolution/ Power of Attorney/ Authority Letter, etc., together

with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at e-mail id: [prenukaacs@gmail.com](mailto:prenukaacs@gmail.com) with a copy marked to [shobha.anand@kfintech.com](mailto:shobha.anand@kfintech.com). It is also requested to upload the same in the e-voting module in their login page. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_EVENT NO."

**(B) Procedure for Registration of email and Mobile: securities in physical mode**

Physical shareholders are hereby notified that based on SEBI Master Circular number: SEBI/HO/MIRSD/POD-1/P/CIR/2024/37, dated May 07, 2024. All holders of physical securities in listed companies shall register the postal address with PIN for their corresponding folio numbers. It shall be mandatory for the security holders to provide mobile number. Moreover, to avail online services, the security holders can register e-mail ID. Holder can register/update the contact details through submitting the requisite ISR 1 form along with the supporting documents.

ISR 1 Form can be obtained by following the link: <https://ris.kfintech.com/clientservices/isc/default.aspx>

ISR Form(s) and the supporting documents can be provided by any one of the following modes.

- a) Through 'In Person Verification' (IPV): the authorized person of the RTA shall verify the original documents furnished by the investor and retain copy(ies) with IPV stamping with date and initials; or
- b) Through hard copies which are self-attested, which can be shared on the address below; or

<b>Name</b>	KFIN Technologies Limited
<b>Address</b>	Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana India - 500 032.

- c) Through electronic mode with e-sign by following the link: <https://ris.kfintech.com/clientservices/isc/default.aspx#>

Detailed FAQ can be found on the link: <https://ris.kfintech.com/faq.html>

For more information on updating the email and Mobile details for securities held in electronic

mode, please reach out to the respective DP(s), where the DEMAT a/c is being held.

**Members are requested to note the following contact details for addressing e-voting grievances:**

Mrs. C. Shobha Ananda, Dy. Vice President  
KFin Technologies Limited  
Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032  
Phone No.: +91 40 6716 2222  
Toll-free No.: 1800-309-4001  
E-mail: [evoting@kfintech.com](mailto:evoting@kfintech.com)

**The instructions for remote e-voting are as under for Individual Shareholders holding shares in demat mode:**

As per the SEBI circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

<b>Procedure to login through websites of Depositories</b>	
<b>National Securities Depository Limited (“NSDL”)</b>	<b>Central Depository Services (India) Limited (“CDSL”)</b>
<p><b>1. User already registered for IDeAS e-Services facility of NSDL may follow the following procedure:</b></p> <ul style="list-style-type: none"> <li>i). URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>ii). Click on the “Beneficial Owner” icon under ‘IDeAS’ section.</li> <li>iii). On the new page, enter existing User ID and Password. Post successful authentication, click on “Access to e-Voting”.</li> <li>iv). Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</li> </ul> <p><b>2. User not registered for IDeAS e-Services facility of NSDL may follow the following procedure:</b></p> <ul style="list-style-type: none"> <li>i). To register click on link : <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> (Select “Register Online for IDeAS”) or <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>ii). Proceed with completing the required fields</li> <li>iii). Post registration is completed, follow the process as stated in point no.1 above</li> </ul>	<p><b>1. Existing user who have opted for Easi / Easiest of CDSL may follow the following procedure:</b></p> <ul style="list-style-type: none"> <li>i). URL: <a href="https://web.cdslindia.com/myeasitoken/home/login">https://web.cdslindia.com/myeasitoken/home/login</a> Or home/ login Or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>ii). Click on New System Myeasi</li> <li>iii). Login with user id and password</li> <li>iv). Option will be made available to reach e-Voting page without any further authentication.</li> <li>v). Click on e-Voting service provider name to cast your vote.</li> </ul> <p><b>1. User not registered for Easi/Easiest</b></p> <ul style="list-style-type: none"> <li>i). Option to register is available at <a href="https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration">https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration</a></li> <li>ii). Proceed with completing the required fields.</li> <li>iii). Post registration is completed, follow the process as stated in point no.1 above</li> </ul>

### Procedure to login through websites of Depositories

#### National Securities Depository Limited (“NSDL”)

#### 2. First time users can visit the e-Voting website directly and follow the process below:

- i). URL: <https://www.evoting.nsdl.com/>
- ii). Click on the icon “Login” which is available under ‘Shareholder/ Member’ section.
- iii). Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.
- iv). Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.
- v). 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.

#### Central Depository Services (India) Limited (“CDSL”)

#### 3. First time users can visit the e-Voting website directly and follow the process below:

- i). URL: [www.cdslindia.com](http://www.cdslindia.com)
- ii). Provide demat Account Number and PAN No.
- iii). System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account.
- iv). After successful authentication, user will be provided links for the respective ESP where the e- Voting is in progress.
- v). Click on company name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

### Individual Shareholder login through their Demat accounts / Website of Depository Participant

- i. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility.
- ii. Once logged-in, 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.
- iii. Click on options available against company name or e-Voting service provider – Kfintech and you will be redirected to e-Voting website of Kfintech for casting your vote during the remote e-Voting period without any further authentication.

**Members who are unable to retrieve User ID / Password are advised to use “Forgot User ID” / “Forgot Password” options available on the websites of Depositories / Depository Participants.**

#### Contact details in case of any technical issue on NSDL Website

Members facing any technical issue in login can contact NSDL helpdesk by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call at toll free no.: 1800 1020 990 and 1800 22 44 30

#### Contact details in case of any technical issue on CDSL Website

Members facing any technical issue in login can contact CDSL helpdesk by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 or 22-23058542/ 43.

- vi). **The voting rights of Members / beneficial owners (in case of electronic shareholding) shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of voting, either through remote e-voting or e-voting at the AGM through Insta Poll.**

Facility to cast vote through Insta Poll will be made available on the Video Conferencing screen and will be activated once the Insta Poll is announced at the Meeting.

- vii). Any person who acquires shares of the company and becomes a member of the company after the sending of the AGM Notice and holds shares as on the cut-off date, **i.e Friday, August 02, 2024**, may obtain the login Id and password by sending a request at [evoting@kfintech.com](mailto:evoting@kfintech.com). However, if you are already

registered with “KFinTech” for remote e-voting then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you may reset your password by using “Forgot User Details/ Password” option available on <http://evoting.kfintech.com>.

- viii). The Board of Directors of the Company has appointed, Smt. D. Renuka, a Practicing Company Secretary (Membership No. A11963), as Scrutinizer to scrutinize the remote e-voting and Insta Poll process for AGM in a fair and transparent manner and she has communicated her willingness to be appointed and will be available for the said purpose.
- ix). The Scrutinizer will, after the conclusion of e-voting at the Meeting, scrutinise the votes cast at the Meeting

(Insta Poll) and votes cast through remote e-voting, make a consolidated Scrutiniser’s Report and submit the same to the Chairman or any person authorised by the Chairman after completion of the scrutiny of the votes cast through remote evoting before/during the AGM. The results of e-voting will be declared within two working days of the conclusion of the Meeting and the same, along with the consolidated Scrutiniser’s Report, will be placed on the website of the Company: [www.suvenpharm.com](http://www.suvenpharm.com) and on the website of KFinTech at: <https://evoting.kfintech.com>. The result will simultaneously be communicated to the Stock Exchanges.

- x). Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to be passed on the date of meeting, **i.e. Friday, August 09, 2024.**

Hyderabad, July 12, 2024

**Registered Office:** # 215 Atrium, C Wing, 8<sup>th</sup> Floor,  
819-821, Andheri Kurla Road, Chakala, Andheri East,  
Chakala Midc, Mumbai- 400093, Maharashtra, India  
CIN: L24299MH2018PLC422236

**Corporate Office:** # 202, A-Wing, Galaxy Towers,  
Plot No.1, Hyderabad Knowledge City, TSIC, Raidurg,  
Hyderabad - 500081, Telangana, India

**by order of the Board of Directors**

**K. Hanumantha Rao**  
Company Secretary  
Membership No. A11599



## EXPLANATORY STATEMENT TO NOTICE OF AGM

### ITEM NO. 3

This explanatory statement is in terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), however, the same is not required as per Section 102 of the Companies Act, 2013.

The present statutory auditors M/s Karvy & Co.; Chartered Accountants, Hyderabad (outgoing auditors) 1<sup>st</sup> term of 5 years is expiring upon the conclusion of 6<sup>th</sup> Annual General Meeting to be held on 09<sup>th</sup> August 2024 who were appointed by the members in the 1<sup>st</sup> Annual General Meeting held in the year 2019.

The Board of Directors has based on the recommendations of Audit Committee at its meeting held on 12<sup>th</sup> July 2024 proposed the appointment of M/s. Walker Chandiok & Co LLP., Chartered Accountants, Firm Registration No. 001076N/N500013 as statutory auditors (incoming auditors) for a term of 5 years from the conclusion of 6<sup>th</sup> annual general meeting until the conclusion of 11<sup>th</sup> annual general meeting to be held in the year 2029 with an audit fee of ₹95 lakhs for the financial year 2024-2025 which is higher than being paid to outgoing auditor considering the experience of incoming auditors in B2B and CDMO industry, superior quality of audit assurance, ESG skills and reporting experience, independence, scale and capacity to service that would

commensurate with the increasing size of the operations of the company hence the audit fee agreed with incoming auditors is reasonable and is associated with audit quality of largest audit firms in India.

M/s. Walker Chandiok & Co LLP & Co., Chartered Accountants have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act. The firm is registered with the Institute of Chartered Accountants of India. The firm has 70 Partners and over 2,215 personnel operating from 15 locations [Bengaluru, Chandigarh, Chennai, Delhi (2 offices including head office), Goa, Gurgaon, Hyderabad, Kolkata, Mumbai, Noida, Pune, Kochi, Dehradun and Ahmedabad]. The Firm is one of the 4 largest audit firms in India with many marquee names as the audit clients and many of them in the NSE top 250".

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution set out at Item No. 3 of the Notice.

## ANNEXURE TO NOTICE OF AGM

### Additional information on director recommended for appointment/re-appointment at the Annual General Meeting as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable secretarial standards

Resolution No.	2
Name of the Director	PANKAJ PATWARI
Director Identification Number (DIN)	08206620
Age	44 years
Date of Appointment at current designation/ Date of first appointment on the Board	September 29, 2023
Qualifications	<ul style="list-style-type: none"> <li>• MBA</li> <li>• Chartered Accountant</li> </ul>
Experience (including expertise in specific functional area) / Brief Resume.	As Managing Director – Advent India PE Advisors Private Limited, Mr. Pankaj Patwari has been managing Advent's investments in Manjushree Technopack Limited, QuEST Global and Bharat Serums and Vaccines Ltd. He also serves of the Board of Directors of various other companies, notably, Bharat Serums and Vaccines Limited, Manjushree Technopack Limited, Cohance Lifesciences Limited and Advent India PE Advisors Private Limited.
Terms and conditions of appointment /re-appointment	Re-appointment in terms of Section 152(6) of the Companies Act, 2013
Remuneration proposed to be paid	He shall be paid reimbursement of expenses for participating in the Board and other meetings.
Names of listed entities in which the person also holds the directorship	Nil
Chairmanship/ Membership of Committees in other companies in which position of Director is held	Nil
Listed Entities from which he/she has resigned as Director in past 3 years	Nil
Shareholding in the Company	Nil
Relationship with Other Directors, Manager and other Key Managerial Personnel of the company.	He is not related to any Directors, Manager and other Key Managerial Personnel of the company.
The number of Meetings of the Board attended/held during the FY 2023-24 i.e. upto 31 <sup>st</sup> March, 2024	5 out of 6 meetings held post change in control of management effective from 29 <sup>th</sup> September 2023.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### **Shri. Annaswamy Vaidheesh \***

Executive Chairman

### **Dr. V. Prasada Raju \***

Managing Director

### **Shri. Pankaj Patwari \***

Non-Executive, Non-Independent Director

### **Ms. Shweta Jalan #**

Non-Executive, Non-Independent Director

### **Ms. Matangi Gowrishankar \***

Independent Director

### **Shri. Vinod Rao \***

Independent Director

### **Shri. K.G. Ananthkrishnan \***

Independent Director

### **Shri. Pravin Rao Udhayavara Bhadya #**

Independent Director

\* w.e.f September 29, 2023

# w.e.f November 9, 2023

## CHIEF FINANCIAL OFFICER

CA Himanshu Agarwal

## COMPANY SECRETARY

CS K. Hanumantha Rao

## STATUTORY AUDITORS

Karvy & Co.,

Chartered Accountants

Road No.2, Bhooma Plaza, Avenue -7,  
Banjara Hills, Hyderabad- 500034

## INTERNAL AUDITORS

Vemulapalli & Co.,

Chartered Accountants

H. No. 14-1-90/435, Sai Dwarakamai, 1<sup>st</sup> Floor,  
Gayatri Nagar Colony, Allapur, Borabanda,  
Hyderabad – 500038

## MANUFACTURING FACILITIES

**Unit – 1:** Dasaigudem (V), Suryapet (M)  
Suryapet Dist. Telangana – 508 213

**Unit – 2:** Plot No.18, Phase III, IDA, Jeedimetla  
Hyderabad, Telangana – 500 055

**Unit – 3:** Plot No(s). 262- 264 & 269 – 271, IDA  
Pashamylaram, Sanga Reddy Dist  
Telangana – 502 307

## SECRETARIAL AUDITORS

DVM & Associates LLP

Company Secretaries

# 6/3/154-159, Flat No. 303, 3<sup>rd</sup> Floor, Royal Majestic,  
Prem Nagar Colony, Hyderabad – 500004

## BANKERS

State Bank of India

Bank of Bahrain & Kuwait

## REGISTRARS & SHARE TRANSFER AGENTS

KFin Technologies Limited

Selenium, Tower B, Plot 31-32, Gachibowli, Financial District,  
Nanakramguda, Hyderabad – 500032

## REGISTERED OFFICE

# 215 Atrium, C Wing, 8<sup>th</sup> Floor, 819-821, Andheri Kurla Road,  
Chakala, Andheri East, Chakala Midc, Mumbai- 400093,  
Maharashtra, India

Tel: 91 22 61539999, CIN: L24299MH2018PLC422236

## CORPORATE OFFICE

# 202, A-Wing, Galaxy Towers, Plot No.1, Hyderabad Knowledge  
City, TSIC, Raidurg, Hyderabad - 500081 Telangana, India

Tel: 91 40 2354 9414 / 3311

## PREVIOUS BOARD OF DIRECTORS

### **Shri J. V. Ramudu †**

Non-Executive, Non-Independent Director

### **Shri Venkateswarlu Jasti †**

Managing Director

### **Shri D. G. Prasad †**

Independent Director

### **Smt. Deepanwita Chattopadhyay †**

Independent Director

### **Dr. Jerry Jeyasingh †**

Non-Executive, Non-Independent Director

### **Dr. V. Sambasiva Rao †**

Independent Director

† upto September 29, 2023

**Unit – 4:** Plot No(s). 65 – 67, JN Pharmacity, Parwada  
Visakhapatnam, Andhra Pradesh – 531 019

## Formulation Development Centre

Plot No(s). 265 to 268, IDA

Pashamylaram, Sanga Reddy Dist., Telangana – 502 307

## Research and Development Centre

Synergy Square I, Genome Vally, Shamirpet, Hyderabad  
Telangana – 500078



W: [www.suvenpharm.com](http://www.suvenpharm.com)

T: +91 40 2354 9414 / 3311

E: [info@suvenpharm.com](mailto:info@suvenpharm.com)



**SUVEN PHARMACEUTICALS LIMITED**

**REGISTERED OFFICE**

# 215 Atrium, C Wing, 8th Floor, 819-821, Andheri Kurla Road,  
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**CORPORATE OFFICE**

# 202, A-Wing, Galaxy Towers, Plot No.1, Hyderabad Knowledge  
City, TSIC, Raidurg, Hyderabad - 500081 Telangana, India