

# Independent Auditor's Report

To the Members of **Syngene International Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Syngene International Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2025, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information, (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2025, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue from operations	
Refer Note 2(I) and 18 to the consolidated financial statements	
The key audit matter	How the matter was addressed in our audit
<ul style="list-style-type: none"> <li>The Group's revenue is derived from contract research, development and manufacturing activities.</li> <li>Overstatement of revenue is a presumed fraud risk considering the Group has pressure to meet external market expectations of reporting higher revenues.</li> <li>The Group has various contractual arrangements with customers which are entered into at various stages of research and development. The Group, in line with Ind AS 115 recognises revenue based on the contractual terms and performance obligations with customers.</li> <li>The Group, in certain instances, also has bill and hold arrangements that meet the criteria mentioned for such arrangements under Ind AS 115: Revenue from Contracts with Customers, wherein revenues are recognized prior to the physical transfer of the good on the basis of specific requests from the customers to hold back the delivery of goods at period end.</li> <li>The above factors result in revenue being identified as a key audit matter.</li> </ul>	<p>Our audit procedures in relation to revenue recognition includes the following:</p> <ul style="list-style-type: none"> <li>We have assessed the appropriateness of the Group's revenue recognition accounting policies and assessed compliance with the policies in terms of applicable accounting standards.</li> <li>We tested the design and implementation, operating effectiveness of the Group's controls around revenue recognition including general IT controls and key IT application controls.</li> <li>We have performed substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during the year and verifying the underlying documents, which includes sales invoices/contracts, shipping and delivery documents.</li> <li>We have tested the specific requests from customers at the period end to evaluate transfer of control relating to the bill and hold arrangements. We evaluated the timing of recognition of revenue from these arrangements proposed by the Group for compliance with Ind AS 115: Revenue from Contracts with Customers.</li> <li>We have assessed journal entries posted to revenue to identify unusual items not already covered by our audit testing.</li> </ul>

## Information Other than the Consolidated 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 Management Reports such as Board's Report, Management Discussion and Analysis, Corporate Governance Report and Business Responsibility and Sustainability Report, but does not include the financial statements and auditor's report thereon, which we obtained prior to the date of this auditor's report, and the the remaining sections of the Holding Company's Annual Report, which are expected to be made available to us after that date.

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

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

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

When we read the remaining sections of the Annual Report (other than those mentioned above), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

## Management's and Board of Directors'/Board of Trustees Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors /Board of Trustees of the companies/Trust included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company/Trust and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors /Board of Trustees of the companies/Trust included in the Group are responsible for overseeing the financial reporting process of each company/Trust.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - c. The 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 relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2025 taken on record by the Board of Directors of the Holding Company and its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2025 on the consolidated financial position of the Group. Refer Note 31 to the consolidated financial statements.
  - b. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 28 to the consolidated financial statements in respect of such items as it relates to the Group.

- c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2025. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by its subsidiary companies incorporated in India during the year ended 31 March 2025.
- d. (i) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented that, to the best of their knowledge and belief, other than as disclosed in the Note 39(v) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented that, to the best of their knowledge and belief, as disclosed in the Note 39(vi) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Holding Company and one of its subsidiary companies incorporated in India during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
- As stated in Note 45 to the consolidated financial statements, the respective Board of Directors of the Holding Company and one of its subsidiary companies incorporated in India have proposed final dividend for the year which is subject to the approval of the respective members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- f. Based on our examination which included test checks, except for the instances mentioned below, the Group 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:
- For data changes performed by users having privileged access (debug)
  - At the application level for certain fields / tables relating to all the significant financial processes
  - At the database level the audit trail configuration was enabled on 25 October 2024. Also, for one database user the audit trail logging was enabled on 26 February 2025.
- Further, where audit trail (edit log) facility was enabled, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Group as per the statutory requirements for record retention.

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

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. During the year, no remuneration has been paid by the subsidiary companies to the directors. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

**G Prakash**  
Partner

Membership No.: 099696  
ICAI UDIN:25099696BMOOIY2864

Place: Bengaluru  
Date: 23 April 2025

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

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

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualification or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Syngene Scientific Solutions Limited	U73200KA2022PLC164804	Subsidiary	3(ix)(d)
2	Syngene Manufacturing Solutions Limited	U24290KA2022PLC165409	Subsidiary	3(xvii)

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

**G Prakash**  
Partner  
Membership No.: 099696  
ICAI UDIN:25099696BMOOIY2864

Place: Bengaluru  
Date: 23 April 2025

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

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

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

### Opinion

In conjunction with our audit of the consolidated financial statements of Syngene International Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2025, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

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

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

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

### Auditor's 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 and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

### Meaning of Internal Financial Controls with Reference to Financial Statements

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

## Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

**G Prakash**  
Partner  
Membership No.: 099696  
ICAI UDIN:25099696BMOOIY2864

Place: Bengaluru  
Date: 23 April 2025

## Consolidated Balance Sheet as at 31 march 2025

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

	Note	31 March 2025	31 March 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3 (a)	23,226	23,783
Capital work-in-progress	3 (a)	12,614	8,368
Right-of-use assets	3 (b)	4,192	4,024
Investment property	3 (c)	343	411
Other intangible assets	4 (a)	256	282
Intangible assets under development	4 (b)	47	13
Financial assets			
(i) Investments	5(a)	362	347
(ii) Derivative assets		1,706	1,847
(iii) Other financial assets	6(a)	454	384
Deferred tax assets (net)	7	295	407
Income tax assets (net)		1,243	1,923
Other non-current assets	8(a)	349	137
<b>Total non-current assets</b>		<b>45,086</b>	<b>41,926</b>
<b>Current assets</b>			
Inventories	9	1,555	2,385
Financial assets			
(i) Investments	5(b)	6,105	5,132
(ii) Trade receivables	10	5,267	4,416
(iii) Cash and cash equivalents	11(a)	3,671	857
(iv) Bank balances other than (iii) above	11(b)	4,199	4,778
(v) Derivative assets		532	694
(vi) Other financial assets	6(b)	244	206
Other current assets	8(b)	1,300	1,122
<b>Total current assets</b>		<b>22,873</b>	<b>19,590</b>
<b>Total assets</b>		<b>67,959</b>	<b>61,516</b>

# Consolidated Balance Sheet as at 31 march 2025

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

	Note	31 March 2025	31 March 2024
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12 (a)	4,025	4,020
Other equity	12 (b)	43,243	38,557
<b>Total equity</b>		<b>47,268</b>	<b>42,577</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	13(a)	-	1,000
(ii) Lease liabilities	35	4,088	3,651
(iii) Derivative liabilities		18	-
Provisions	14(a)	433	407
Other non-current liabilities	15(a)	2,188	2,438
<b>Total non-current liabilities</b>		<b>6,727</b>	<b>7,496</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	13(b)	1,196	417
(ii) Lease liabilities	35	495	484
(iii) Trade payables	16		
Total outstanding dues of micro and small enterprises		341	200
Total outstanding dues of creditors other than micro and small enterprises		3,179	2,355
(iv) Derivative liabilities		56	10
(v) Other financial liabilities	17	704	665
Provisions	14(b)	713	727
Current tax liabilities (net)		84	476
Other current liabilities	15(b)	7,196	6,109
		<b>13,964</b>	<b>11,443</b>
<b>Total equity and liabilities</b>		<b>67,959</b>	<b>61,516</b>

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

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022

**G Prakash**

Partner

Membership number: 099696

Bengaluru

Date: 23 April 2025

for **and on behalf of the Board of Directors of Syngene International Limited**

**Kiran Mazumdar Shaw**

Chairperson

DIN: 00347229

**Deepak Jain**

Chief Financial Officer

Bengaluru

Date: 23 April 2025

**Peter Bains**

Managing Director & Chief Executive Officer

DIN: 00430937

**Priyadarshini Mahapatra**

Company Secretary

FCS Number: F8786

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

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

	Note	Year ended 31 March 2025	Year ended 31 March 2024
<b>Income</b>			
Revenue from operations	18	36,424	34,886
Other income	19	718	906
<b>Total income</b>		<b>37,142</b>	<b>35,792</b>
<b>Expenses</b>			
Cost of chemicals, reagents and consumables consumed	20	9,254	8,736
Changes in inventories of finished goods and work-in-progress	21	171	566
Employee benefits expense	22	9,839	8,887
Finance costs	23	531	472
Depreciation and amortisation expense	24	4,326	4,259
Other expenses	25	6,723	5,995
Foreign exchange fluctuation (gain)/loss, net		19	558
<b>Total expenses</b>		<b>30,863</b>	<b>29,473</b>
<b>Profit before tax and exceptional items</b>		<b>6,279</b>	<b>6,319</b>
Exceptional items, net gain/ (loss)	36	320	(111)
<b>Profit before tax</b>		<b>6,599</b>	<b>6,208</b>
<b>Tax expense</b>	30		
Current tax		1,384	1,230
Deferred tax			
MAT credit entitlement		402	46
Other deferred tax		(149)	(168)
<b>Total tax expense</b>		<b>1,637</b>	<b>1,108</b>
<b>Profit for the year</b>		<b>4,962</b>	<b>5,100</b>
<b>Other comprehensive income</b>			
(i) Items that will not be reclassified subsequently to profit or loss			
Re-measurement on defined benefit plans		11	(25)
Changes in the Fair Value of equity investments at FVTOCI		18	(94)
Income tax effect		(9)	39
(ii) Items that will be reclassified subsequently to profit or loss			
Effective portion of gains/(losses) on hedging instrument in cash flow hedges		(146)	1,993
Exchange difference on translation of foreign operations		(64)	-*
Income tax effect		44	(487)
<b>Other comprehensive income/(loss) for the year, net of taxes</b>		<b>(147)</b>	<b>1,426</b>
<b>Total comprehensive income for the year</b>		<b>4,815</b>	<b>6,526</b>
<b>Profit attributable to:</b>			
Shareholders of the Company		4,962	5,100
Non-controlling interest		-	-
<b>Profit for the year</b>		<b>4,962</b>	<b>5,100</b>
<b>Other comprehensive income attributable to:</b>			
Shareholders of the Company		(147)	1,426
Non-controlling interest		-	-
<b>Other comprehensive income for the year</b>		<b>(147)</b>	<b>1,426</b>
<b>Total comprehensive income attributable to:</b>			
Shareholders of the Company		4,815	6,526
Non-controlling interest		-	-
<b>Total comprehensive income for the year</b>		<b>4,815</b>	<b>6,526</b>
<b>Earnings per equity share</b>	38		
Basic (in Rs)		12.35	12.71
Diluted (in Rs)		12.34	12.69

\* Less than Rs. 0.5 million.

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

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022

**G Prakash**

Partner

Membership number: 099696

for and on behalf of the Board of Directors of Syngene International Limited

**Kiran Mazumdar Shaw**

Chairperson

DIN: 00347229

**Deepak Jain**

Chief Financial Officer

Bengaluru

Date: 23 April 2025

**Peter Bains**

Managing Director & Chief Executive Officer

DIN: 00430937

**Priyadarshini Mahapatra**

Company Secretary

FCS Number: F8786

Bengaluru

Date: 23 April 2025

# Consolidated Statement of Changes in Equity

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

for the year ended 31 march 2025

(A) Equity share capital		31 March 2025	31 March 2024
Opening balance		4,020	4,014
Changes in equity share capital		5	6
Closing balance		4,025	4,020

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

Particulars	Securities premium	General reserve	Capital reserve	Reserves and surplus Treasury shares	Retained earnings	Re-measurement on defined benefit plans	Special Economic Zone (SEZ) reinvestment reserve	Share based payment	Items of other comprehensive income Foreign currency translation reserve	Cash flow hedging reserves	Other items of other comprehensive income	Total other equity
Balance as at 1 April 2023	2,167	-	-	(47)	29,725	100	-	654	-	(433)	-	32,166
Profit for the year	-	-	-	-	5,100	(20)	-	-	-	-	-	5,100
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-	1,506	(61)	1,424
<b>Total comprehensive income for the year</b>	-	-	-	-	5,100	(20)	-	-	-	1,506	(61)	6,524
<b>Transactions recorded directly in equity</b>												
Exercise of share options	-	-	-	-	38	-	-	-	-	-	-	38
Purchase of treasury shares	-	-	-	(6)	-	-	-	-	-	-	-	(6)
Dividend	-	-	-	-	(503)	-	-	-	-	-	-	(503)
Share based payment	-	-	-	-	-	-	-	36	-	-	-	36
Transfer to SEZ reinvestment reserve	-	-	-	-	(650)	-	650	-	-	-	-	-
Transfer from SEZ reinvestment reserve	-	-	-	-	650	-	(650)	-	-	-	-	-
Lease transfer	-	261	-	-	-	-	-	-	-	-	-	261
Impact of business combination (refer note 4.3)	-	-	39	-	-	-	-	-	-	-	-	39
<b>Balance as at 31 March 2024</b>	<b>2,167</b>	<b>261</b>	<b>39</b>	<b>(53)</b>	<b>34,361</b>	<b>80</b>	<b>-</b>	<b>690</b>	<b>-</b>	<b>1,073</b>	<b>(61)</b>	<b>38,558</b>
Profit for the year	-	-	-	-	4,962	8	-	-	(64)	(102)	12	4,962
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-	-	-	(147)
<b>Total comprehensive income for the year</b>	-	-	-	-	4,962	8	-	-	(64)	(102)	12	4,815
<b>Transactions recorded directly in equity</b>												
Loss of the Trust	-	-	-	-	(1)	-	-	-	-	-	-	(1)
Exercise of share options	270	-	-	-	-	-	-	(270)	-	-	-	-
Dividend	-	-	-	-	(503)	-	-	-	-	-	-	(503)
Share based payment	-	-	-	-	-	-	-	373	-	-	-	373
Transfer to SEZ reinvestment reserve	-	-	-	-	(360)	-	360	-	-	-	-	-
Transfer from SEZ reinvestment reserve	-	-	-	-	360	-	(360)	-	-	-	-	-
<b>Balance as at 31 March 2025</b>	<b>2,437</b>	<b>261</b>	<b>39</b>	<b>(53)</b>	<b>38,820</b>	<b>88</b>	<b>-</b>	<b>793</b>	<b>(64)</b>	<b>971</b>	<b>(49)</b>	<b>43,243</b>

\* Less than Rs. 0.5 million.

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

As per our report of even date attached

for and on behalf of the Board of Directors of Syngene International Limited

for BSR &amp; Co. LLP

Chartered Accountants

Firm registration number: 101248WW-100022

GPrakash  
Partner

Membership number: 099696

Kiran Mazumdar Shaw  
Chairperson  
DIN: 00347229Peter Bains  
Managing Director & Chief Executive Officer  
DIN: 00430937Deepak Jain  
Chief Financial OfficerPriyadarshini Mahapatra  
Company Secretary  
FCS Number: F8786Bengaluru  
Date: 23 April 2025Bengaluru  
Date: 23 April 2025

# Consolidated Statement of Cash Flows

for the year ended 31 March 2025

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

	Year ended 31 March 2025	Year ended 31 March 2024
<b>I Cash flows from operating activities</b>		
Profit for the year	4,962	5,100
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	4,326	4,259
Gain on remeasurement of lease	(32)	-
Loss on assets scrapped	26	25
Provision for doubtful receivables	49	49
Bad debts written off	30	6
Share based compensation expense	373	5
Interest expense	531	451
Unrealised foreign exchange loss/(gain)	37	(36)
Net gain on sale of current investments	(159)	(144)
Interest income	(512)	(603)
Interest on Income Tax Refund	(47)	(158)
Provision on inventory obsolescence	88	253
Reversal of inventory provisions due to change in accounting estimate	-	(203)
Tax expenses	1,636	1,108
<b>Operating profit before working capital changes</b>	<b>11,308</b>	<b>10,112</b>
<b>Movements in working capital</b>		
Decrease/ (increase) in inventories	743	893
Decrease/ (increase) in trade receivables	(939)	867
Decrease/ (increase) in other assets	(126)	826
Increase/ (decrease) in trade payables, other liabilities and provisions	1,843	(1,026)
<b>Cash generated from operations</b>	<b>12,829</b>	<b>11,672</b>
Income taxes paid (net of refunds)	(1,152)	(1,251)
<b>Net cash flow generated from operating activities</b>	<b>11,676</b>	<b>10,421</b>
<b>II Cash flows from investing activities</b>		
Payment for acquisition of business, net of cash acquired	-	(5,532)
Purchase of property, plant and equipment	(7,603)	(4,920)
Sale of property, plant and equipment	-	221
Purchase of other intangible assets	(98)	(188)
Investment in bank deposits and inter corporate deposits	(12,099)	(12,467)
Redemption/ maturity of bank deposits and inter corporate deposits	12,738	17,803
Interest received	503	815
Proceeds from sale of current investments	22,547	27,352
Purchase of current investments	(23,435)	(28,040)
<b>Net cash flow used in investing activities</b>	<b>(7,447)</b>	<b>(4,956)</b>
<b>III Cash flows from financing activities</b>		
Proceeds from issue of equity shares	5	6
Repayment of long term borrowings (including current portion)	(417)	(3,904)
Proceeds/ (repayments) from short term borrowings, net	171	(458)
Lease liabilities paid including interest	(536)	(367)
Dividend paid	(503)	(503)
Interest paid	(138)	(288)
<b>Net cash flow used in financing activities</b>	<b>(1,417)</b>	<b>(5,514)</b>
<b>IV Net increase/(decrease) in cash and cash equivalents (I+II+III)</b>	<b>2,812</b>	<b>(49)</b>

# Consolidated Statement of Cash Flows

for the year ended 31 March 2025

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

	Year ended 31 March 2025	Year ended 31 March 2024
<b>V Effect of exchange difference on cash and cash equivalents held in foreign currency</b>	3	11
<b>VI Cash and cash equivalents at the beginning of the year</b>	857	895
<b>VII Cash and cash equivalents at the end of the year (IV+V+VI)</b>	<b>3,671</b>	<b>857</b>
Components of cash and cash equivalents as at the end of the year		
Cash on hand	—*	—*
Balances with banks	2,816	857
Deposits with maturity of less than 3 months	855	—
<b>Total cash and cash equivalents [refer note 11(a)]</b>	<b>3,671</b>	<b>857</b>
Restricted cash balance [refer note 11(ii)]	1	1

\* Less than Rs. 0.5 million.

## Change in liability arising from financing activities

	1 April 2024	Cash Flow	Non cash movement	31 March 2025
Borrowings (including current maturities)	1,417	(246)	25	1,196
Lease liability (including current)	4,136	(536)	983	4,584
	<b>5,553</b>	<b>(782)</b>	<b>1,008</b>	<b>5,780</b>

	1 April 2023	Cash Flow	Non cash movement	31 March 2024
Borrowings (including current maturities)	5,753	(4,356)	20	1,417
Lease liability (including current)	2,398	(367)	2,104	4,136
	<b>8,151</b>	<b>(4,723)</b>	<b>2,124</b>	<b>5,553</b>

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

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

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022

**G Prakash**

Partner

Membership number: 099696

Bengaluru

Date: 23 April 2025

for and on behalf of the Board of Directors of Syngene International Limited

**Kiran Mazumdar Shaw**

Chairperson

DIN: 00347229

**Deepak Jain**

Chief Financial Officer

Bengaluru

Date: 23 April 2025

**Peter Bains**

Managing Director &amp; Chief Executive Officer

DIN: 00430937

**Priyadarshini Mahapatra**

Company Secretary

FCS Number: F8786

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

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

## 1. Company Overview

### 1.1 Reporting entity

Syngene International Limited ("Syngene" or "the parent company" or "the Company"), together with its subsidiary (collectively, the "Group") is engaged in providing contract research and manufacturing services from lead generation to clinical supplies to pharmaceutical and biotechnology companies worldwide. Syngene's services include integrated drug discovery and development capabilities in medicinal chemistry, biology, in vivo pharmacology, toxicology, custom synthesis, process R&D, cGMP manufacturing, formulation and analytical development along with Clinical development services. The Company is a public limited company incorporated and domiciled in India and has its registered office in Bengaluru, Karnataka, India. The Company's shares are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) in India.

### 1.2 Basis of preparation of financial statements

#### a) Statement of compliance

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

The Company had incorporated its wholly owned overseas subsidiary, Syngene USA Inc., USA ('the Subsidiary') during the year ended 31 March 2018 and operational from 1st November 2017. Further, the Company incorporated two new entities i.e. Syngene Scientific Solutions Limited and Syngene Manufacturing Solutions Limited, operational from 10th August 2022 and 26th August 2022, respectively. Both the entities are wholly owned subsidiaries of the Company.

These consolidated financial statements have been prepared for the Group as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date, 31 March 2025. These consolidated financial statements were authorised for issuance by the Company's Board of Directors on 23 April 2025.

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

#### b) Functional and presentation currency

These consolidated financial statements are presented in Indian rupees (INR), which is also the functional currency of the parent company. All amounts have been rounded-off to the nearest million, unless otherwise indicated. In respect of subsidiaries whose operations are self-contained and integrated, the functional currency has been determined to be the currency of the primary economic environment in which the entity operates. Accordingly, the financial statements of subsidiaries are presented in INR except that of Syngene USA Inc. which are prepared in United States Dollar (USD).

#### c) Current/non-current distinction

An entity shall classify an asset as current when:

- (a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle
- (b) it holds the asset primarily for the purpose of trading
- (c) it expects to realise the asset within twelve months after the reporting period or
- (d) the asset is cash or a cash equivalent (as defined in Ind AS 7, Statement of Cash Flows) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets shall be classified as non-current.

An entity shall classify a liability as current when:

- (a) it expects to settle the liability in its normal operating cycle
- (b) it holds the liability primarily for the purpose of trading
- (c) the liability is due to be settled within twelve months after the reporting period or
- (d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities shall be classified as non-current.

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

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

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

## d) Basis of measurement

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

- Certain financial assets and liabilities (including derivative instruments) are measured at fair value;
- Net defined benefit assets/(liability) are measured at fair value of plan assets, less present value of defined benefit obligations;

## e) Use of estimates and judgements

The preparation of the consolidated 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 consolidated 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 consolidated financial statements in the period in which changes are made and their effects are disclosed in the notes to the consolidated financial statements.

### Judgements

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

- Note 2(c) and 28 — Financial instruments;
- Note 2(d), 2(e) and 2(f) — Useful lives of property, plant and equipment, investment property and other intangible assets;
- Note 2(g) and 43 — Business Combination
- Note 2(l) and 18 — Revenue Recognition: whether revenue from sale of compounds is recognised over time or at a point in time;
- Note 2(o), 30 and 31 — Provision for income taxes and related tax contingencies;
- Note 2(q) and 35 — Leases;

## 1.3 Assumptions and estimation uncertainties

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

- Note 2(i)(i) and 28 — impairment of financial assets;
- Note 2(i)(ii) — impairment of non-financial assets;
- Note 2(j) and 27 — measurement of defined benefit obligations: key actuarial assumptions;
- Note 7 and 30 — recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used; and
- Note 14 and 31 — recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
- Note 34 — share based payments.

## 1.4 Measurement of fair values

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

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

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

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

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

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

- Note 2(c) and 28 – financial instruments;
- Note 3(c) – investment property; and
- Note 34 – share based payments;

## 2 Material accounting policies

### a. Basis of consolidation

#### i. Subsidiary

Subsidiary is entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The financial statements of the Group are consolidated on line-by-line basis. Intra-group transactions, balances and any unrealised gains arising from intra-group transactions, are eliminated. Unrealised losses are eliminated, but only to the extent that there is no evidence of impairment. All temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions are recognised as per Ind AS 12, Income Taxes.

For the purpose of preparing these consolidated financial statements, the accounting policies of subsidiaries have been kept consistent with the policies adopted by the Group.

#### Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

#### ii. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in statement of profit or loss.

### b. Foreign currency

#### i. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of companies at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in statement of profit or loss, except exchange differences arising from the translation of the qualifying cash flow hedges to the extent that the hedges are effective which are recognised in OCI.

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

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

Under previous GAAP exchange differences arising on restatement of long-term foreign currency monetary items related to acquisition of depreciable assets was added to/ deducted from the cost of the depreciable assets. In accordance with Ind AS 101 First time adoption of Indian Accounting Standards the Group continues the above accounting treatment in respect of the long-term foreign currency monetary items recognised in the financial statements as on 31 March 2016.

## ii. Foreign operations

The assets and liabilities of foreign operations (subsidiary) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Foreign currency translation differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to NCI.

## c. Financial instruments

### i. Recognition and initial measurement

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

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

### ii. Classification and subsequent measurement

#### Financial assets

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

- amortised cost;
- FVOCI – equity investment; or
- FVTPL

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

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

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

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

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

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

## Equity investments

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

## Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss. However, see Note 28 for derivatives designated as hedging instruments.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.

## Financial liabilities: Classification, subsequent measurement and gains and losses

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

## iii. Derecognition

### Financial assets

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

### Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

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

## iv. Offsetting

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

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

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

## v. Derivative financial instruments and hedge accounting

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

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

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

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

### Cash flow hedges

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

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

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

## vi. Treasury shares

The Group has created an Employee Welfare Trust (EWT) for providing share-based payment to its employees. Own equity instruments that are acquired (treasury shares) are recognised at cost and deducted from equity. When the treasury shares are issued to the employees by EWT, the amount received is recognised as an increase in equity and the resultant gain / (loss) is transferred to / from securities premium.

The Group has adopted the policy to account for Employees Welfare Trust as a legal entity separate from the Company but as a subsidiary of the Company. Any loan from the Company to the trust is accounted for as a loan in accordance with its term.

## vii. Cash and cash equivalents

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

### Cash dividend to equity holders

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

## d. Property, plant and equipment

### i. Recognition and measurement

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

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

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

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

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

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

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

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

### ii. Depreciation

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

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

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

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

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

### iii. Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

### e. Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Based on technical evaluation and consequent advice, the management believes a period of 3 to 25 years as representing the best estimate of the period over which investment property (which are quite similar) are expected to be used. Accordingly, the Group depreciates investment property over a period of 3 to 25 years on a straight-line basis. The estimated useful life of assets in investment property are different from the indicative useful lives of relevant type of asset mentioned in Part C of Schedule II to the act as follows:

Asset	Management estimate of useful life	Useful life as per Schedule II
Building	25 years	30 years
Plant and equipment (including electrical installation and laboratory equipment)	9-11 years	8-20 years
Computers	3 years	3-6 years
Office equipment	3 years	5 years
Furniture and fixtures	6 years	10 years

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

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

Any gain or loss on disposal of an investment property is recognised in statement of profit and loss.

## f. Other intangible assets

### Internally generated: Research and Development:

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

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

### Others

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

#### i. Subsequent expenditure

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

#### ii. Amortisation

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

— Computer software	5 years
— Intellectual property right	5-10 years

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

## g. Business combination

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

## h. Inventories

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

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

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

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

## i. Impairment

### i. Impairment of financial assets

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

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

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

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

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

### ii. Impairment of non-financial assets

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

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

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

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

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

### j. Employee benefits

#### i. Short-term employee benefits

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

#### ii. Post-employment benefits:

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

##### Gratuity

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

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

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

##### Provident Fund

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

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

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

## iii. 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 in the period in which the absences occur.

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

Remeasurement gains and losses on other long term benefits are recognised in the Statement of Profit and Loss in the year in which they arise. Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

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

## iv. Share-based compensation

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. The grant date fair value of options granted (net of estimated forfeiture) to employees of the Group is recognised as an employee expense.

The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with share based payment transaction is presented as a separate component in equity under "share based payment reserve". The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value is determined under the option-pricing model (Black-Scholes-Merton). Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures materially differ from those estimates.

## k. Provisions (other than for employee benefits)

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

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

## Onerous contracts

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

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

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

## I. Revenue recognition:

### i. Contract research and manufacturing services income

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

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

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

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

In respect of contracts involving sale of compounds arising out of contract research, revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment to the customer/ customer's acceptance. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as sales tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from such sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale.

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

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

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

### ii. Rental income

Rental income from investment property is recognised in statement of profit and loss on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

### iii. Contribution received from customers towards property, plant and equipment

Contributions received from customers towards items of property, plant and equipment which require an obligation to supply services to the customer in the future, are recognised as a credit to deferred revenue. The contribution received is recognised as revenue from operations over the useful life of the assets. The Group capitalises the gross cost of these assets as the Group controls these assets.

### iv. Dividends

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

### v. Interest Income

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

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

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

## m. Government grants

The Group recognises Government grants only at their fair value when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants received in relation to assets are recognised as deferred income and amortised over the useful life of such asset. Grants related to income are recognised in statement of profit and loss as other operating revenues or deducted in reporting the related expense based on the terms of the grant, as applicable.

## n. Foreign currency Transactions and translations:

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

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

## o. Income taxes

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

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

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

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

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction;
- temporary differences related to investments in subsidiary, associate and joint arrangements 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.

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

Deferred income tax assets and liabilities are measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or substantive enactment date. A deferred income tax assets is recognised to the extent it is probable that future taxable income will be available against which the deductible temporary timing differences and tax losses can be utilised. The 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.

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

## p. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or

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

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

construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

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

## q. Leases

### (i) The Group as lessee:

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

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

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

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

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

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

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

### (ii) The Group as a Lessor:

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

## r. Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held and vested employee stock options (ESOPs). Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, using the treasury stock method for options and warrants, except where the results would be anti-dilutive.

## s. Segment reporting

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

## t. Exceptional items

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

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

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

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

	Land	Buildings	Plant and equipment	Office equipments	Furniture and fixtures	Vehicles	Total	Capital work-in-progress
<b>Gross carrying amount</b>								
At 1 April 2023	703	6,787	32,865	193	951	27	41,526	1,769
Additions	434	184	3,216	2	95	19	3,950	10,548
Disposals / other adjustments	-	(7)	(1,442)	(9)	(38)	(5)	(1,501)	(3,950)
<b>At 31 March 2024</b>	<b>1,137</b>	<b>6,964</b>	<b>34,639</b>	<b>186</b>	<b>1,008</b>	<b>41</b>	<b>43,975</b>	<b>8,368</b>
Additions	315	133	2,661	7	53	-	3,169	7,479
Disposals / other adjustments	-	-	(620)	(3)	(2)	(11)	(636)	(3,233)
<b>At 31 March 2025</b>	<b>1,452</b>	<b>7,097</b>	<b>36,680</b>	<b>190</b>	<b>1,059</b>	<b>30</b>	<b>46,508</b>	<b>12,614</b>
<b>Accumulated depreciation</b>								
At 1 April 2023	-	1,506	15,473	183	515	13	17,692	-
Depreciation for the year	-	273	3,353	9	121	6	3,762	-
Disposals	-	(4)	(1,212)	(9)	(37)	(1)	(1,262)	-
<b>At 31 March 2024</b>	<b>-</b>	<b>1,775</b>	<b>17,614</b>	<b>183</b>	<b>599</b>	<b>18</b>	<b>20,192</b>	<b>-</b>
Depreciation for the year	-	280	3,294	3	122	5	3,703	-
Disposals	-	-	(601)	(3)	(2)	(7)	(613)	-
<b>At 31 March 2025</b>	<b>-</b>	<b>2,055</b>	<b>20,307</b>	<b>183</b>	<b>719</b>	<b>16</b>	<b>23,282</b>	<b>-</b>
<b>Net carrying amount</b>								
At 31 March 2024	1,137	5,189	17,025	4	410	22	23,783	8,368
At 31 March 2025	1,452	5,042	16,374	7	341	14	23,226	12,614

Notes:

- Land includes land held on lease under perpetual basis: Gross carrying amount - Rs. 661 (31 March 2024- Rs. 661).
- Buildings with a gross carrying amount of Rs. 4,394 as at 31 March 2025 (as at 31 March 2024 - Rs. 4,312) have been constructed on leasehold land obtained by the Group on lease basis from Biocon Limited, the holding Company.
- Plant and equipment includes computers.
- Additions to property, plant and equipment includes additions related to borrowing cost amounting to Rs. Nil (31 March 2024 - Rs. 3).
- Refer note 13(i) for secured borrowings obtained for Property, plant and equipment.
- Refer note 31 (ii) for disclosure of contractual commitments for the acquisition of property, plant and equipment and capital work-in-progress.
- The Company's business expanded into manufacturing during the year ended 2024, and following a technical evaluation, it revised the estimated useful life of its manufacturing assets, which include Plant and Machinery and Equipment, effective from April 1, 2024.  
As a result of this change in accounting estimate, the depreciation expense for these assets has decreased by INR 206 million for the year ended March 31, 2025.
- Additions to Land and Capital work-in-progress includes assets acquired from Emergent Manufacturing Operations Baltimore, LLC (a subsidiary of Emergent BioSolutions Inc.) (Refer note 44).

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

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

### 3 (a) Capital work-in-progress aging schedule:

31 March 2025	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	5,453	7,029	97	35	12,614
	5,453	7,029	97	35	12,614

  

31 March 2024	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	8,203	112	50	3	8,368
	8,203	112	50	3	8,368

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

(ii) Capital work-in-progress whose completion is overdue to its original plan:

31 March 2025	Less than 1 year	1-2 years	2-3 years	More than 3 years	Expected Capitalisation date
Project 3	13	3	40	33	31 January 2026

  

31 March 2024	Less than 1 year	1-2 years	2-3 years	More than 3 years	Expected Capitalisation date
Project 3	3	40	33	-	31 March 2025
Project 4	97	1	-	-	31 March 2025
Project 5	502	21	-	-	31 October 2024

### 3 (b) Right-of-use assets

	Land	Buildings	Vehicles	Total
<b>Gross carrying amount</b>				
At 1 April 2023	367	2,242	65	2,674
Additions	-	3,757	30	3,787
Deletions	-	(1,757)	(8)	(1,765)
At 31 March 2024	367	4,242	87	4,696
Additions	-	764	-	764
Deletions	-	(497)	(23)	(520)
At 31 March 2025	367	4,509	64	4,940
<b>Accumulated depreciation</b>				
At 1 April 2023	98	389	19	505
Depreciation for the year	28	295	24	347
Deletions	-	(175)	(5)	(180)
At 31 March 2024	125	509	38	672
Depreciation for the year	-	442	22	464
Deletions	-	(368)	(20)	(388)
At 31 March 2025	125	583	40	748
<b>Net carrying amount</b>				
At 31 March 2024	242	3,733	49	4,024
At 31 March 2025	242	3,926	24	4,192

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

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

### 3 (c) Investment property

	Buildings [refer note (b)]	Furniture and fixtures	Office equipments	Plant and equipment	Total
<b>Gross carrying amount</b>					
At 1 April 2023	146	58	4	566	774
Additions	-	-	0	1	1
At 31 March 2024	146	58	4	567	775
Additions	-	-	0		0
At 31 March 2025	146	58	4	567	775
<b>Accumulated depreciation</b>					
At 1 April 2023	15	13	3	263	293
Depreciation for the year	6	10	1	54	71
At 31 March 2024	21	23	4	317	364
Depreciation for the year	6	8	1	53	68
At 31 March 2025	27	31	5	370	432
<b>Net carrying amount</b>					
At 31 March 2024	125	35	0	250	411
At 31 March 2025	119	27	(1)	197	343

Particulars	31 March 2025	31 March 2024
Rental Income (Refer Note 18 "Other Operating Revenue")	319	278
Other Operating Income (Refer Note 18 "Other Operating Revenue")	90	68
Direct Operating Expenses (including repairs and maintenance) from property that generated rental income (Refer Note 25 "Other Expense")	(84)	(64)
<b>Profit from investments before depreciation</b>	<b>325</b>	<b>282</b>
Depreciation pertaining to property which generated rental income (Refer Note 24 "Depreciation")	(38)	(39)
Depreciation pertaining to property which did not generate rental income (Refer Note 24 "Depreciation")	(30)	(32)
<b>Profit from Investment Properties</b>	<b>257</b>	<b>212</b>

#### Note:

- Investment property with a gross carrying amount of Rs.146 (31 March 2024 : Rs. 146) have been constructed on leasehold land obtained by the Group on lease basis from Biocon Limited.
- Refer note 31 (ii) for disclosure of contractual commitments for the acquisition of investment property.
- The fair value of investment property is Rs.343 (31 March 2024: Rs 411) based on market observable data. The Group has not engaged any registered valuer for determining the fair value.
- The fair value measurement for investment property has been categorised as a level 3.

### 4 (a) Other intangible assets

	Computer software	Intellectual property right	Total
<b>Gross carrying amount</b>			
At 1 April 2023	495	120	615
Additions	176	-	176
Disposals	(1)	-	-1
At 31 March 2024	670	120	790
Additions	64	-	64
Disposals	(7)	-	(7)
At 31 March 2025	727	120	847

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

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

	Computer software	Intellectual property right	Total
<b>Accumulated amortisation</b>			
At 1 April 2023	310	120	430
Amortisation for the year	79	-	79
Disposals	(1)	-	(1)
<b>At 31 March 2024</b>	<b>388</b>	<b>120</b>	<b>508</b>
Amortisation for the year	89	-	89
Disposals	(6)	-	(6)
<b>At 31 March 2025</b>	<b>471</b>	<b>120</b>	<b>591</b>
<b>Net carrying amount</b>			
At 31 March 2024	282	-	282
At 31 March 2025	256	-	256

(a) Refer note 31 (ii) for disclosure of contractual commitments for the acquisition of intangible assets.

### 4 (b) Intangible assets under development

Particulars	Total
<b>Carrying amount</b>	
At 1 April 2023	-
Additions	61
Disposals	(48)
<b>At 31 March 2024</b>	<b>13</b>
Additions	34
Disposals	-
<b>At 31 March 2025</b>	<b>47</b>

### 5. Investments

	31 March 2025	31 March 2024
<b>(a) Non-current investments</b>		
<b>Unquoted equity instruments carried at fair value through other comprehensive income:</b>		
2,020 (31 March 2024: 2,020) Equity shares of Rs. 10 each in Immuneel Therapeutics Private Limited [refer note(i) below]	247	229
4,922,663 (31 March 2024: 4,922,663) Equity shares of Rs. 10 each in HR Kaveri Private Limited	49	49
<b>Unquoted - In Others</b>		
<b>Investments carried at fair value through profit or loss</b>		
123,204 (31 March 2024: 123,204) Equity shares of Rs. 100 each in Four EF Renewables Private Limited	12	12
246,406 (31 March 2024: 246,406) Compulsory convertible preference shares of Rs. 100 each in Four EF Renewables Private Limited [refer note(ii) below]	25	25
858,000 (31 March 2024: 858,000) Equity shares of Rs. 10 each in O2 Renewable Energy II Private Limited	9	9
0.01% 20,020 (31 March 2024: 20,020) Compulsory convertible debentures of Rs. 1,000 each in O2 Renewable Energy II Private Limited [refer note(iii) below]	20	20
1,333,333 (31 March 2024: 1,333,333) Equity shares of Rs. 10 each in Ampyr Renewable Energy Resources Private Limited	13	13
2,666,667 (31 March 2024: 2,666,667) Compulsory convertible preference shares of Rs. 10 each in Ampyr Renewable Energy Resources Private Limited [refer note(iv) below]	27	27
Less: Diminution in the value of investments	(40)	(40)
<b>Unquoted - In Others</b>		
Inter corporate deposits with financial institutions *	-	3
	<b>362</b>	<b>347</b>
<b>Aggregate value of unquoted investments</b>	<b>362</b>	<b>347</b>

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

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

Note:

- (i) In the year ended 31 March 2021, the Group invested Rs. 100 in Immuneel Therapeutics Private Limited (Immuneel). In the year ended 31 March 2022, additional funding from external investors were received by Immuneel resulting in a dilution of the Group's equity interest. The gain on fair valuation from Rs. 100 to Rs. 214 was recognised in other comprehensive income. During the year ended 31 March 2023, the Group, based on fair valuation recorded a fair value increase in its investment carrying value by Rs. 109. During the year ended 31 March 2024, the Group based on a fair valuation recorded a fair value decrease in its investment carrying value by Rs. 94. During the year ended 31 March 2025, the Company, based on fair valuation recorded a fair value increase in its investment carrying value by Rs. 18
- (ii) Terms of conversion: 1 compulsory convertible preference share of face value Rs. 100/- each will convert to 1 equity share of face value Rs. 100/- at end of the tenure of 20 years from allotment.
- (iii) Terms of conversion: 1 compulsory convertible debentures of face value Rs. 1000/- each will convert to 1 equity share of face value Rs. 100/- at end of the tenure of 20 years from allotment.
- (iv) Terms of conversion: 1 compulsory convertible preference share of face value Rs. 10/- each will convert to 1 equity share of face value Rs. 10/- at end of the tenure of 20 years from allotment.

\* Inter corporate deposits with financial institutions yield fixed interest rate.

	31 March 2025	31 March 2024
<b>(b) Current investments</b>		
Quoted - Investment in mutual funds at fair value through profit or Loss	3,355	2,308
<b>Unquoted - In others - at amortised cost</b>		
Inter corporate deposits with financial institutions*	2,750	2,824
	<b>6,105</b>	<b>5,132</b>
* Inter corporate deposits with financial institutions yield fixed interest rate.		
Aggregate book value of quoted investments	3,258	2,308
Aggregate market value of quoted investments	3,355	2,308
Aggregate value of unquoted investments	2,750	2,824

## 6. Other financial assets

	31 March 2025	31 March 2024
<b>(a) Non-current</b>		
Security deposits	436	382
Bank deposits with maturity of more than 12 months	18	2
	<b>454</b>	<b>384</b>
<b>(b) Current</b>		
Other receivables (refer note 26)	105	40
Interest accrued but not due	139	166
	<b>244</b>	<b>206</b>

## 7. Deferred tax assets (net)

	31 March 2025	31 March 2024
<b>Deferred tax asset</b>		
MAT credit entitlement	1,275	1,572
Employee benefit obligations	209	190
Others	28	64
	<b>1,512</b>	<b>1,826</b>
<b>Deferred tax liability</b>		
Derivatives, net	289	332
Others	-	24
Property, plant and equipment, investment property and other intangible assets, net	930	1,063
	<b>1,218</b>	<b>1,419</b>
Deferred tax assets (net)	<b>295</b>	<b>407</b>

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

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

### 8. Other assets

	31 March 2025	31 March 2024
<b>(a) Non-current</b>		
Capital advances	274	76
Balances with statutory / government authorities	11	15
Prepayments	64	46
	<b>349</b>	<b>137</b>
<b>(b) Current</b>		
Advances other than capital advances	242	398
Balances with statutory / government authorities	800	560
Prepayments	258	164
	<b>1,300</b>	<b>1,122</b>

### 9. Inventories

	31 March 2025	31 March 2024
Chemicals, reagents and consumables	1,354	2,014
Work-in-progress	143	239
Finished goods	58	132
	<b>1,555</b>	<b>2,385</b>

Inventory obsolescence amounted to Rs 128 (31 March 2024: Rs 159) were recognised as an expense during the year and included in 'changes in inventories of finished goods and work-in-progress' in statement of profit and loss.

As the Group's business has now expanded into manufacturing and based on Group's experience, a revised inventory provisioning policy specific to manufacturing has been created with effect from 1 January 2024. Prior to this, the Group was applying its research inventory provisioning policy also to manufacturing. The impact of this change is to reverse inventory provisions created in prior quarters resulting in a net reversal of Rs 203 in the quarter ended 31 March 2024 which is a change in accounting estimate. Under the old policy, the manufacturing inventory provision as at 31 March 2024 would have been higher by Rs 578. Had the Company continued the old policy for manufacturing inventory provisions, there would have been a provision reversal of Rs 225 million for the year ended 31 March 2025 and the reported 'cost of chemicals, reagents and consumables consumed' would have been lower by that extent. For the year ended 31 March 2024, the provision under the old policy (which was revised in the quarter ended 31 March 2024) was higher by Rs 578 million.

### 10. Trade receivables

	31 March 2025	31 March 2024
<b>Unsecured</b>		
Considered good (refer note 26)	5,268	4,416
Considered doubtful	181	132
	<b>5,449</b>	<b>4,548</b>
Allowance for credit losses	(181)	(132)
	<b>5,267</b>	<b>4,416</b>

#### (a) Aging schedule

31 March 2025	Outstanding for following periods from due date of payment					
	Unbilled	Not due	Less than 6 months	6 months – 1 year	1-2 years	Total
Undisputed trade receivables - considered good	1,286	2,891	999	42	50	5,268
Undisputed trade receivables - credit impaired	-	-	101	30	50	181
	<b>1,286</b>	<b>2,891</b>	<b>1,100</b>	<b>72</b>	<b>100</b>	<b>5,449</b>
31 March 2024	Outstanding for following periods from due date of payment					
	Unbilled	Not due	Less than 6 months	6 months – 1 year	1-2 years	Total
Undisputed trade receivables - considered good	744	2,618	877	118	58	4,416
Undisputed trade receivables - credit impaired	-	-	16	58	58	132
	<b>744</b>	<b>2,618</b>	<b>893</b>	<b>176</b>	<b>116</b>	<b>4,548</b>

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

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

- (b) All trade receivables are current and undisputed.
- (c) Trade receivables outstanding for period above 2 years from due date of payment is Rs. Nil (31 March 2024: Rs. Nil) for the year ended 31 March 2025.
- (d) The Group's exposure to credit and currency risks and loss allowances are disclosed in note 28.

## 11. Cash and bank balances

	31 March 2025	31 March 2024
<b>(a) Cash and cash equivalents</b>		
Cash on hand	-*	-
Balances with banks (on current accounts)	2,816	857
Deposits with original maturity of less than 3 months	854	-
	<b>3,671</b>	<b>857</b>
<b>(b) Bank balances other than above</b>		
Deposits with maturity of less than 12 months	4,199	4,778
<b>Total cash and bank balances</b>	<b>7,869</b>	<b>5,635</b>

\* Less than Rs. 0.5 million.

- (i) The Group has balances with banks (on unpaid dividend account) which are not disclosed above since amounts are rounded off to Rupees million.
- (ii) Cash and cash equivalents includes restricted cash and bank balances of Rs. 1 (31 March 2024: Rs. 1). The restrictions are primarily on account of bank balances held under Employee Welfare Trust.

## 12(a). Equity share capital

	31 March 2025	31 March 2024
<b>Authorised</b>		
500,000,000 (31 March 2024: 500,000,000) equity shares of Rs 10/- each	5,000	5,000
<b>Issued, subscribed and fully paid-up</b>		
402,536,981 (31 March 2024: 402,015,000) equity shares of Rs 10 each (31 March 2024: Rs 10 each)	4,025	4,020
	<b>4,025</b>	<b>4,020</b>

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

Equity shares	31 March 2025		31 March 2024	
	No.	Rs	No.	Rs
At the beginning of the year	402,015,000	4,020	401,434,500	4,014
Issue of shares [refer note 40]	521,981	5	580,500	6
At the end of the year	<b>402,536,981</b>	<b>4,025</b>	<b>402,015,000</b>	<b>4,020</b>

### (ii) Terms / rights attached to equity shares

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

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

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

Equity shares	31 March 2025		31 March 2024	
	No.	% holding	No.	% holding
Equity shares of Rs. 10 each fully paid				
Biocon Limited (holding company) [includes issue of bonus shares refer note (vi) below]	211,185,608	52.46%	219,185,608	54.52%

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

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

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

Equity shares	31 March 2025		31 March 2024	
	No.	% holding	No.	% holding
Equity shares of Rs 10 each fully paid				
Biocon Limited (holding company) [includes issue of bonus shares refer note (vi) below]	211,185,608	52.46%	219,185,608	54.52%

### (v) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

	Year ended 31 March 2025	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
Equity shares allotted as fully paid bonus shares by capitalization of general reserve and surplus in statement of profit and loss [refer note (vi) below]	-	-	-	-	-	200,000,000

### (vi) Issue of bonus shares

The shareholders approved through postal ballot on 13 July 2019, the issue of fully paid up bonus shares of face value of Rs. 10/- each in the ratio of 1:1 by capitalisation of general reserves and surplus in statement of profit and loss.

### (vii) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer note 34.

### (viii) Shares held by promoters

Promoter Name	At 1 April 2024	Change during the year	At 31 March 2025	% of Total Shares	% change during the year
Kiran Mazumdar Shaw	21,964	-	21,964	0.01%	0.00%
Ravi R Mazumdar	8,806	-	8,806	0.00%	0.00%
Dev Mazumdar	13,686	-	13,686	0.00%	0.00%
Biocon Limited	219,185,608	(8,000,000)	211,185,608	52.46%	-1.99%
Biocon Employee Welfare Trust	1,053,633	-	1,053,633	0.26%	0.00%
	220,283,697	(8,000,000)	212,283,697	52.74%	-1.99%

Promoter Name	At 1 April 2023	Change during the year	At 31 March 2024	% of Total Shares	% change during the year
Kiran Mazumdar Shaw	21,964	-	21,964	0.01%	0.00%
Ravi R Mazumdar	8,806	-	8,806	0.00%	0.00%
Dev Mazumdar	13,686	-	13,686	0.00%	0.00%
Biocon Limited	219,185,608	-	219,185,608	54.52%	0.00%
Biocon Employee Welfare Trust	1,091,447	(37,814)	1,053,633	0.26%	-0.01%
	220,321,511	(37,814)	220,283,697	54.79%	-0.01%

The Company has only one class of equity shares having a par value of Rs. 10 per share.

## 12(b). Other equity

### Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

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

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

## General Reserve

The amount represents surplus in carrying amounts related to leased assets transferred within the Group.

## Capital Reserve

The amount represents surplus of fair value of tangible assets and other balances taken over compared to the purchase price in relation to the acquisition through slump sale of Unit 3 biologics manufacturing facility in Bangalore, India, from Stelis Biopharma Limited (SBL) (refer note 43).

## Retained earnings

The amount represents surplus in statement of profit and loss not transferred to any reserve and can be distributed by the Group as dividends to its equity shareholders. The amount also includes retained earnings of Syngene Employee Welfare Trust.

## Treasury shares

The amount represents cost of own equity instruments that are acquired (treasury shares) by the ESOP trust and is disclosed as a deduction from other equity.

## Re-measurement on defined benefit plans

The amount represents re-measurements of defined benefit plans owing to Actuarial (gain) / loss arising from: Demographic assumptions, Financial assumptions and Experience adjustment along with re-measurement on account of return on plan assets, excluding amounts included in interest expense / (income).

## Special Economic Zone (SEZ) reinvestment reserve

The SEZ Re-Investment reserve has been created out of profit of eligible SEZ units in terms of the provisions of Section 10AA(1)(ii) of the Income-Tax Act, 1961. The reserve has been utilised for acquiring new plant and machinery for the purpose of its business in terms of section 10AA(2) of the Income-Tax Act, 1961.

## Share based payment reserve

The Company has established share based payment plan for certain categories of employees of the Group. Also refer note 34 for further details on these plans.

## Cash flow hedging reserves

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

## Other Items of other comprehensive income

Other Items of other comprehensive income represents re-measurements of the equity instruments at fair value through OCI.

## 13. Borrowings

	31 March 2025	31 March 2024
<b>(a) Non-current borrowings</b>		
Term loans from banks		
Foreign currency term loan (secured) [refer note (i) below]	1,025	1,417
	<b>1,025</b>	<b>1,417</b>
Less: Current portion disclosed under "Current borrowings"	(1,025)	(417)
	<b>-</b>	<b>1,000</b>
<b>(b) Current borrowings</b>		
Packing Credit working capital loan [refer note (ii) below]	171	-
Current portion of foreign currency term loan (secured) [refer note (i) below]	1025	417
	<b>1,196</b>	<b>417</b>
<b>The above amount includes</b>		
Secured borrowings	1,025	1,471
Unsecured borrowings	171	-
	<b>1,196</b>	<b>1,834</b>

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

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

### Notes:

- (i) The Company had entered into a foreign currency term loan agreement dated March 30, 2021, to borrow USD 20 million (Rs. 1,644) for a term loan facility. The facility is borrowed to incur capital expenditure at the Bengaluru, Hyderabad and Mangaluru premises of the Company and was used for this specific purpose. The facility carries an interest rate of 6M SOFR + 1.17% and is to be paid in three instalments of 15%, 25% and 60% from the end of 3 years, 4 years and 5 years respectively from the origination date. The facility is secured by first priority pari passu charge on fixed assets (movable plant and machinery) and second charge on current assets of the Company. The Company is compliant with the financial covenants stipulated under the agreement.
- (ii) The Company availed pre-shipment export credit of Rs. 171 at SOFR+0.95% during the year ended 31 March 2025. The credit facility was availed on 12 March 2025 for a tenor of 3 months.

### 14. Provisions

	31 March 2025	31 March 2024
<b>(a) Non-current</b>		
Provision for employee benefits		
Gratuity	433	407
	<b>433</b>	<b>407</b>
<b>(b) Current</b>		
Provision for employee benefits		
Gratuity	211	195
Compensated absences	502	532
	<b>713</b>	<b>727</b>

### 15. Other liabilities

	31 March 2025	31 March 2024
<b>(a) Non-current</b>		
Deferred revenues	2,188	2,438
	<b>2,188</b>	<b>2,438</b>
<b>(b) Current</b>		
Advances from customers	6,052	5,027
Deferred revenues	544	511
Others		
- Statutory dues	226	215
- Other dues	374	356
	<b>7,196</b>	<b>6,109</b>

### 16. Trade payables

	31 March 2025	31 March 2024
Trade payables		
Total outstanding dues of micro and small enterprises	341	200
Total outstanding dues of creditors other than micro and small enterprises	3,179	2,355
	<b>3,520</b>	<b>2,555</b>

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

	31 March 2025	31 March 2024
(i) The principal amount and interest due thereon remaining unpaid to supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprise	341	200
- Interest due on above	- *	-
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	234	231

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

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

	31 March 2025	31 March 2024
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
(iv) Interest accrued and remaining unpaid at the end of the year	_*	-
(v) Interest remaining due and payable in succeeding years, in terms of Section 23 of the MSMED Act, 2006	12	12

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

\* Less than Rs. 0.5 million.

## (b) Aging schedule:

31 March 2025	Outstanding for following periods from due date of payment				
	Unbilled	Not due	Less than 1 year	More than 1 year	Total
Total outstanding dues of micro and small enterprises		326	15		341
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,869	890	310	110	3,179
	1,869	1,216	325	110	3,520

  

31 March 2024	Outstanding for following periods from due date of payment				
	Unbilled	Not due	Less than 1 year	More than 1 year	Total
Total outstanding dues of micro and small enterprises	-	199	1	-	200
Total outstanding dues of creditors other than micro and small enterprises	1,265	630	450	10	2,355
	1,265	829	451	10	2,555

(c) All trade payables are current and undisputed. The Group's exposure to currency and liquidity risks related to trade payables is disclosed in note 28.

## 17. Other financial liabilities

	31 March 2025	31 March 2024
<b>Current</b>		
Payable for capital goods	644	565
Employee benefit expenses payable	3	-
Payable towards purchase consideration	57	100
	704	665

## 18. Revenue from operations

	Year ended 31 March 2025	Year ended 31 March 2024
Sale of services		
Contract research and manufacturing services income	35,128	33,695
Other operating revenues		
Scrap sales	33	33
Gains on lease retirement	35	-
Others	1,228	1,158
	36,424	34,886

### Note:

- Others include income from support services, rentals by the SEZ Developer and recognition of deferred revenue for assets funded by customers over the useful life.
- The Group does not have any allowances or returns. Hence no reconciliation of variable consideration is presented.

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

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

## 18.1 Disaggregated revenue information

Set out below is the disaggregation of revenue:

	Year ended 31 March 2025	Year ended 31 March 2024
<b>Revenues from Contract research and manufacturing services income by geography</b>		
India	622	653
United States of America	21,754	22,558
Europe	11,260	8,775
Rest of the world	1,492	1,709
	<b>35,128</b>	<b>33,695</b>
<b>Revenue from other sources</b>		
India	777	424
United States of America	519	767
	<b>1,296</b>	<b>1,191</b>
<b>Total revenue from operations</b>	<b>36,424</b>	<b>34,886</b>
Geographical revenue is allocated based on the location of the customers.		
Revenues from Contract research and manufacturing services income by		
<b>Timing of recognition</b>		
Revenue recognised at a point of time	30,137	29,730
Revenue recognised over a period of time	6,288	5,156
<b>Total revenue from operations</b>	<b>36,425</b>	<b>34,886</b>

## 18.2 Contract balances

	Year ended 31 March 2025	Year ended 31 March 2024
Trade receivables [refer note (i) below]	5,267	4,416
Contract liabilities [refer note (ii) below]	8,784	7,976

### Notes:

- (i) Trade receivables are non-interest bearing.
- (ii) Contract liabilities include advances from customers and deferred revenue.

## 18.3 Changes in Contract liabilities - advances from customers and deferred revenues

	Year ended 31 March 2025	Year ended 31 March 2024
<b>Balance at the beginning of the year</b>	<b>7,976</b>	<b>8,621</b>
Add: Increase due to invoicing during the year	5,542	5,648
Less: Revenue recognised from advances from customers and deferred revenue at the beginning of the year	(3,829)	(5,007)
Less: Amounts recognised as revenue during the year	(904)	(1,286)
<b>Balance at the end of the year</b>	<b>8,785</b>	<b>7,976</b>
Expected revenue recognition from remaining performance obligations:		
- Within one year	6,597	5,538
- More than one year	2,188	2,438
	<b>8,785</b>	<b>7,976</b>

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

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

## 18.4 Reconciliation of revenue recognised with contract price:

	Year ended 31 March 2025	Year ended 31 March 2024
Revenue as per contracted price	36,568	34,924
Adjustments for:		
Refund Liabilities	-	-
Discount/Rebates	(144)	(38)
<b>Total Revenue from contract with customers</b>	<b>36,424</b>	<b>34,886</b>

## 18.5 Performance obligation:

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

## 19. Other income

	Year ended 31 March 2025	Year ended 31 March 2024
Interest income on:		
Deposits with banks and financial institutions	476	589
Lease deposits	36	13
Tax refunds (Refer Note 30 (c))	47	158
Net gain on sale of current investments	159	144
Other non-operating income	-	1
	<b>718</b>	<b>906</b>

## 20. Cost of chemicals, reagents and consumables consumed (Refer Note 9)

	Year ended 31 March 2025	Year ended 31 March 2024
Inventory at the beginning of the year	2,014	2,390
Add : Purchases	8,594	8,360
Less: Inventory at the end of the year	(1,354)	(2,014)
	<b>9,254</b>	<b>8,736</b>

## 21. Changes in inventories of finished goods and work-in-progress

	Year ended 31 March 2025	Year ended 31 March 2024
Inventories at the beginning of the year		
Work-in-progress	239	733
Finished goods	132	205
	<b>372</b>	<b>938</b>
Inventories at the end of the year		
Work-in-progress	142	239
Finished goods	59	132
	<b>201</b>	<b>372</b>
	<b>171</b>	<b>566</b>

## 22. Employee benefits expense

	Year ended 31 March 2025	Year ended 31 March 2024
Salaries, wages and bonus	8,551	7,960
Contribution to provident fund and other funds	396	352
Gratuity expenses (Refer note 27)	123	118
Share based compensation expense (Refer note 34)	373	5
Staff welfare expenses	396	452
	<b>9,839</b>	<b>8,887</b>

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

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

### 23. Finance costs

	Year ended 31 March 2025	Year ended 31 March 2024
<b>Interest expense on:</b>		
Borrowings	99	182
Lease liability (Refer Note 35)	393	269
Exchange difference to the extent considered as an adjustment to borrowing cost	39	21
	<b>531</b>	<b>472</b>

### 24. Depreciation and amortisation expense

	Year ended 31 March 2025	Year ended 31 March 2024
Depreciation of tangible assets [refer note 3 (a)]	3,704	3,762
Depreciation of investment property [refer note 3 (c)]	68	71
Amortisation of Right to Use assets [refer note 3 (b)]	465	347
Amortisation of intangible assets [refer note 4 (a)]	89	79
	<b>4,326</b>	<b>4,259</b>

### 25. Other expenses

	Year ended 31 March 2025	Year ended 31 March 2024
Rent	61	55
Communication expenses	56	43
Travelling and conveyance	553	546
Professional charges	1,330	1,179
Payments to auditors	12	11
Directors' fees including commission	62	67
Power and fuel	690	697
Facility charges	205	282
Insurance	298	261
Rates and taxes	88	86
Repairs and maintenance		
Plant and machinery	1,774	1,381
Buildings	147	107
Others	668	596
Selling expenses		
Freight outwards and clearing charges	34	30
Sales promotion expenses	193	173
Provision for doubtful receivables	49	49
Bad debts written off	30	6
Printing and stationery	41	39
Clinical trial expenses	74	72
Contributions towards CSR	115	101
Loss on assets scrapped	29	25
Miscellaneous expenses	214	192
	<b>6,723</b>	<b>5,995</b>
(a) Payments to auditors:		
As an auditor:		
Statutory audit	7	6
Tax audit	1	1
Limited review	3	3
In other capacity:		
Other services (certification fees)	—*	—
Reimbursement of expenses	1	1
	<b>12</b>	<b>11</b>

\* Less than Rs. 0.5 million.

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

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

## 26. Related party transactions

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

### List of Related parties

Particulars	Nature of relationship
<b>A. Key management personnel</b>	
Kiran Mazumdar Shaw	Chairperson
Jonathan hunt	MD & Chief Executive Officer (till 10 February 2025)
Peter Bains	MD & Chief Executive Officer - Syngene International Limited (w.e.f 01 April 2025)
Peter Bains	Group Chief Executive Officer - of Biocon Group (till 31 March 2025)
Catherine Rosenberg	Non-executive director
Sharmila Abhay Karve	Independent director
Paul Blackburn	Independent director (till 23 July 2024)
Vijay Kuchroo	Independent director
Vinita Bali	Independent director
Kush Parmar	Independent director
Nilanjan Roy	Independent director (w.e.f. 01 April 2024)
Manja Boerman	Independent director (w.e.f. 04 June 2024)
Sibaji Biswas	Executive Director & CFO (from 01 April 2024 to 30 November 2024)
Deepak Jain	Chief Financial officer (w.e.f. 01 December 2024)
Priyadarshini Mahapatra	Company Secretary
<b>B. Holding company</b>	
Biocon Limited	Holding Company
<b>C. Fellow subsidiaries</b>	
Biocon Biologics Limited	Fellow subsidiary
Biocon SDN. BHD	Fellow subsidiary
Biocon Biologics UK Limited	Fellow subsidiary
Biocon Biologics Inc.,	Fellow subsidiary
Biocon Biologics Do Brasil Ltda	Fellow subsidiary
Biocon Biologics FZ-LLC	Fellow subsidiary
"Biocon Biologics Healthcare Malaysia SDN. BHD (formerly known as Biocon Healthcare SDN. BHD)"	Fellow subsidiary
Biofusion Therapeutics Limited	Fellow subsidiary
Biocon Biosphere Limited	Fellow subsidiary
Biocon Pharma Limited	Fellow subsidiary
Biocon Pharma Inc.	Fellow subsidiary
Biocon Pharma Ireland Limited	Fellow subsidiary
Biocon Pharma Malta Limited	Fellow subsidiary
Biocon Pharma Malta I Limited	Fellow subsidiary
Biocon Pharma UK Limited	Fellow subsidiary
Biocon SA	Fellow subsidiary
Biocon FZ LLC	Fellow subsidiary
Biocon Academy	Fellow subsidiary
Biosimilar Collaborations Ireland Limited	Fellow subsidiary (w.e.f 29 November 2022)
Biosimilar Newco Limited,UK	Fellow subsidiary (w.e.f 29 November 2022)
Biocon Biologics Canada Inc.	Fellow subsidiary (w.e.f 20 March 2023)
Biocon Biologics Germany GmbH	Fellow subsidiary (w.e.f 29 March 2023)
Bicon Biologics France S.A.S	Fellow subsidiary (w.e.f 14 April 2023)
Biocon Biologics Spain, S.L	Fellow subsidiary (w.e.f 21 April 2023)
Biocon Biologics Switzerland AG	Fellow subsidiary (w.e.f 25 April 2023)
Biocon Biologics Belgium BV	Fellow subsidiary (w.e.f 28 April 2023)

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

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

Particulars	Nature of relationship
Biocon Biologics Finland OY	Fellow subsidiary (w.e.f 10 May 2023)
Biocon Generics Inc.	Fellow subsidiary (w.e.f 07 July 2023)
Biocon Biologics Morocco S.A.R.L.A.U	Fellow subsidiary (w.e.f 24 July 2023)
Biocon Biologics Greece SINGLE MEMBER P.C	Fellow subsidiary (w.e.f 27 July 2023)
Biocon Biologics South Africa (PTY) Ltd	Fellow subsidiary (w.e.f 11 August 2023)
Bicon Biologics (Thailand) Co. Ltd	Fellow subsidiary (w.e.f 08 September 2023)
Bicon Biologics Italy S.R.L	Fellow subsidiary (w.e.f 27 December 2023)
Bicon Biologics Philippines Inc.	Fellow subsidiary (w.e.f 25 October 2023)
Bicon Biologics Croatia LLC	Fellow subsidiary (w.e.f 18 January 2024)

### D. Other related parties

Bicara Therapeutics Inc.	Associate of Holding Company
Biocon Foundation	Trust in which a director is a trustee
Narayana Hrudayalaya Limited	Enterprise in which a director of the Company is a member of board of directors
Jeeves	Enterprise in which relative to a director of the Company is proprietor
Immuneel Therapeutics Private Limited	Enterprise in which a director of the Company is a member of board of directors
NeoBiocon FZ LLC	Joint venture of Holding Company
Cage Therapeutics	Enterprise in which a director of the Company is a member of board of directors
Thomas Cook (India) Limited	Enterprise in which a director of the Company is a member of board of directors
SOTC Travel Limited	Enterprise in which a director of the Company is a member of board of directors
Peter Bains	KMP of the holding company

### The Company has the following related parties transactions and balances

Particulars	Transactions / Balances	31 March 2025	31 March 2024
<b>Key management personnel</b>	Salary and perquisites [refer note (i) & (ii) below]	384	222
	Sitting fees and commission	62	62
	Professional fees	9	-
	Outstanding as at the year end		
	- Trade and other payables	14	12
	- Provision for gratuity and compensated absences	31	19
<b>Holding company</b>	Rent	88	144
	Power and facility charges [refer note (iii) below]	183	277
	Other expenses reimbursed to the group	281	181
	Sale of services	17	23
	Other expenses incurred on behalf of Holding company recovered	3	4
	Outstanding as at the year end		
	- Rent deposits	21	21
	- Trade and other payables	140	160
	- Trade and other receivables	21	33
<b>Fellow subsidiaries</b>	Sale of services	126	90
	Rent and facility charges recovered	415	303
	Other expenses incurred on behalf of fellow subsidiaries recovered	-	84
	Purchase of goods and services	154	-
	Outstanding as at the year end		
	- Trade and other payables	38	3
	- Trade and other receivables	148	155
<b>Other related parties</b>	Sale of services	820	922
	Health services availed	4	2
	Contribution towards CSR	96	87
	Staff welfare expenses	4	3

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

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

Particulars	Transactions / Balances	31 March 2025	31 March 2024
	Revaluation of investment	18	(94)
	Travel service	52	-
	Outstanding as at the year end		
	- Deposit	6	-
	- Trade and other payables	138	190
	- Trade and other receivables	5	-

- (i) The remuneration to the key managerial personnel does not include the provisions made for gratuity and compensated absences. However, the Company has undertaken actuarial valuations for the provisions made for gratuity and compensated absences attributable to the key managerial personnel as at 31 March 2025 amounting to Rs. 31 (31 March 2024: 19).
- (ii) Share based compensation expense allocable to key management personnel is Rs. 91 (31 March 2024 : Rs. 25), which is included in the remuneration disclosed above.
- (iii) Effective from 1 October 2006, the Company has entered into an arrangement for lease of land on lease basis and a service agreement with 'Biocon SEZ Developer' of Biocon Limited for availing certain facilities and services. The facility charges of Rs. 113 (31 March 2024 : Rs. 193) and power charges (including other charges) of Rs. 70 (31 March 2024 : Rs. 84) have been charged by Biocon Limited for the year ended 31 March 2025.
- (iv) Fellow subsidiary companies with whom the Group did not have any transactions -
- Biocon Biologics Inc.
  - Biocon Biologics Do Brasil Ltda
  - Biocon Biologics FZ-LLC
  - Biocon Pharma UK Limited
  - Biocon Biosphere Limited
  - Biocon Pharma Inc.
  - Biosimilar Newco Limited
  - Biocon Biologics Canada Inc.
  - Biocon Biologics Germany GmbH
  - Biocon Biologics France S.A.S
  - Biocon Biologics Spain, S.L
  - Biocon Biologics Switzerland AG
  - Biocon Biologics Belgium BV
  - Biocon Biologics Italy S.R.L
  - Biocon Biologics Philippines Inc.
  - Biocon Pharma Ireland Limited
  - Biocon Pharma Malta Limited
  - Biocon Pharma Malta I Limited
  - Biocon Biologics Healthcare Malaysia SDN. BHD
  - Biocon SA
  - Biocon FZ LLC
  - Biosimilar Collaborations Ireland Limited
  - Biocon Biologics Finland OY
  - Biocon Generics Inc.
  - Biocon Biologics Morocco S.A.R.L.A.U
  - Biocon Biologics Greece SINGLE MEMBER P.C
  - Biocon Biologics South Africa (PTY) Ltd
  - Biocon Biologics (Thailand) Co. Ltd
  - Biocon Biologics Croatia LLC
  - Biofusion Therapeutics Limited
- (v) The above disclosures include related parties as per Ind AS 24 on "Related Party Disclosures" and Companies Act, 2013.
- (vi) All outstanding balances are unsecured and repayable in cash.

## 27. Employee benefit plans

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

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

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

The Company expects to pay INR 663(31 March 2024: INR 191) in contributions to its defined benefit plans in 2025-26.

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

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

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

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability
Balance as on 1 April 2024	605	(3)	602
Current service cost	80	-	80
Interest cost	43	-	43
<b>Amount recognised in Statement of profit and loss</b>	<b>123</b>	<b>-</b>	<b>123</b>
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense / (income)	-	_*	_*
<b>Actuarial (gain) / loss arising from:</b>			
Demographic assumptions	(20)	-	(20)
Financial assumptions	(16)	-	(16)
Experience adjustment	25	-	25
<b>Amount recognised in other comprehensive income</b>	<b>(11)</b>	<b>-</b>	<b>(11)</b>
Benefits paid	(70)	-	(70)
<b>Balance as at 31 March 2025</b>	<b>647</b>	<b>(3)</b>	<b>644</b>

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability
Balance as on 1 April 2023	513	(3)	510
Current service cost	79	-	79
Interest cost	39	-	39
<b>Amount recognised in Statement of profit and loss</b>	<b>118</b>	<b>-</b>	<b>118</b>
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense / (income)	-	_*	_*
<b>Actuarial (gain) / loss arising from:</b>			
Demographic assumptions	-	-	-
Financial assumptions	4	-	4
Experience adjustment	21	-	21
<b>Amount recognised in other comprehensive income</b>	<b>25</b>	<b>-</b>	<b>25</b>
Benefits paid	(51)	-	(51)
Liability acquired through slump sale	-	-	-
<b>Balance as at 31 March 2024</b>	<b>605</b>	<b>(3)</b>	<b>602</b>

\* Less than Rs. 0.5 million.

	As at 31 March 2025	As at 31 March 2024
Non current	433	407
Current	211	195
	<b>644</b>	<b>602</b>

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

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

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

	As at 31 March 2025	As at 31 March 2024
Interest rate	6.5%	7.3%
Discount rate	6.5%	7.3%
Expected return on plan assets	6.5%	7.3%
Salary increase	6.5%	8.0%
Attrition rate (based on Age of the Employee)	24.0%	9% - 22%
Retirement age - Years	58	58

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

The weighted average duration of the defined benefit obligation was 6 years (31 March 2024 - 6 years).

The defined benefit plan exposes the Group to actuarial risks, such as interest rate risk.

### (iii) Sensitivity analysis

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

Particulars	31 March 2025		31 March 2024	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount rate	(18)	19	(28)	31
Salary increase	19	(18)	30	(28)
Attrition rate	(2)	2	(3)	4

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

Maturity profile of defined benefit obligation

Particulars	31 March 2025	31 March 2024
1st Following year	147	90
2nd Following year	120	77
3rd Following year	115	70
4th Following year	87	73
5th Following year	72	65
Years 6 to 10	190	246
Years 11 and above	73	307

### (iv) Risk Exposure

These defined benefit plans typically expose the Group to actuarial risks as under :

- Interest rate risk: A decrease in bond interest rate will increase the plan liability.
- Longevity risk: The present value of the defined plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy will increase the plan's liability.
- Salary risk: Higher than expected increase in salary will increase the defined benefit obligation.

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

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

## (v) Other long term benefits

Present value of other long term benefits (i.e. compensated absences) obligations at the end of the year :

Particulars	31 March 2025	31 March 2024
Compensated absences	502	532

## 28. Financial instruments: Fair value and risk managements

### A. Accounting classification and fair values

31 March 2025	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments (non-current)#	66	296	-	362	-	-	362	362
Derivative assets (non-current)		1,706		1,706	-	1,706	-	1,706
Other financial assets (non-current)			454	454	-	-	-	-
Investments (current)	3,355		2,750	6,105	3,355	-	-	3,355
Trade receivables			5,267	5,267	-	-	-	-
Cash and cash equivalents			3,671	3,671	-	-	-	-
Bank balances other than above			4,199	4,199	-	-	-	-
Derivative assets (current)		532		532	-	532	-	532
Other financial assets (current)			244	244	-	-	-	-
	3,421	2,534	16,585	22,541	3,355	2,238	362	5,955
Financial liabilities								
Lease liabilities (non-current)	-	-	4,088	4,088	-	-	-	-
Derivative liabilities (non-current)	-	18	-	18	-	18	-	18
Borrowings (current)	-	-	1,196	1,196	-	-	-	-
Lease liabilities (current)	-	-	495	495	-	-	-	-
Trade payables	-	-	3,520	3,520	-	-	-	-
Derivative liabilities (current)	-	56		56	-	56	-	56
Other financial liabilities (current)	-	-	704	704	-	-	-	-
	-	74	10,003	10,077	-	74	-	74

31 March 2024	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments (non-current)#	66	278	3	347	-	-	344	344
Derivative assets (non-current)	-	1,847	-	1,847	-	1,847	-	1,847
Other financial assets (non-current)	-	-	384	384	-	-	-	-
Investments (current)	2,308	-	2,824	5,132	2,308	-	-	2,308
Trade receivables	-	-	4,416	4,416	-	-	-	-
Cash and cash equivalents	-	-	857	857	-	-	-	-
Bank balances other than above	-	-	4,778	4,778	-	-	-	-
Derivative assets (current)	-	694	-	694	-	694	-	694
Other financial assets (current)	-	-	206	206	-	-	-	-
	2,374	2,819	13,468	18,661	2,308	2,541	344	5,193
Financial liabilities								
Borrowings (non-current)	-	-	1,000	1,000	-	-	-	-
Lease liabilities (non-current)	-	-	3,651	3,651	-	-	-	-
Derivative liabilities (non-current)	-	-	-	-	-	-	-	-
Borrowings (current)	-	-	417	417	-	-	-	-
Lease liabilities (current)	-	-	484	484	-	-	-	-
Trade payables	-	-	2,555	2,555	-	-	-	-
Derivative liabilities (current)	-	10	-	10	-	10	-	10
Other financial liabilities (current)	-	-	665	665	-	-	-	-
	-	10	8,772	8,782	-	10	-	10

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

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

# Level 3 investments comprises of unquoted equity instruments. The fair value of Level 3 investments are based on the market comparable approach of similar companies using discounted revenue multiples and considering the same on a pre-revenue development stage. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

- The carrying amount of financial assets and financial liabilities measured at amortised cost in the Consolidated Financial Statements are a reasonable approximation of their fair values since the Group does not
- There has been no transfers between level 1, 2 and 3.
- The Company enters into derivative financial instruments with various counterparties. Derivatives are valued using valuation techniques in consultation with market expert. The most frequently applied valuation technique include forward pricing, swap models and Black Scholes Merton Model (for options valuation), using present value calculations. The models incorporate various inputs including foreign exchange forward rates, interest rate curve and forward rates curve.

## Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 values.

Particulars	FVTPL	FVTOCI	Total
Balance as at 01 April 2024	66	278	344
Gain included in OCI			
- Net change in fair value(unrealised)	-	18	18
Investment made in the current year			
- In equity instruments		-	-
- In preference shares		-	-
- In debt instruments	-	-	-
Loss included in P&L			
- Diminution in the value of investments	-	-	-
<b>Balance as at 31 March 2025</b>	<b>66</b>	<b>296</b>	<b>362</b>

Particulars	FVTPL	FVTOCI	Total
Balance as at 01 April 2023	66	372	438
Gain included in OCI			
- Net change in fair value(unrealised)	-	(94)	(94)
Investment made in the current year			
- In equity instruments	13	-	13
- In preference shares	27	-	27
- In debt instruments	-	-	-
Loss included in P&L			
- Diminution in the value of investments	(40)	-	(40)
<b>Balance as at 31 March 2024</b>	<b>66</b>	<b>278</b>	<b>344</b>

## Measurement of fair values

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

## Sensitivity analysis

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

Significant observable inputs	Impact on profit or loss		Impact on other equity	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
INR/USD - Increase by 1%	-	-	(588)	(613)
INR/USD - Decrease by 1%	-	-	599	613
<b>Level III Equity instruments</b>				
Adjusted market multiple (5% Increase)	-	-	(83)	(83)
Adjusted market multiple (5% Decrease)	-	-	83	83

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

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

## B. Financial risk management

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

### (i) Risk management framework

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

### (ii) Credit risk

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

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

Allowance for Impairment	31 March 2025	31 March 2024
Opening balance	132	83
Impairment loss recognised	49	49
Impairment loss reversed	-	-
<b>Closing balance</b>	<b>181</b>	<b>132</b>

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

Particulars	31 March 2025	31 March 2024
Neither past due nor impaired	4,177	3,362
Past due but not impaired		
Less than 180 days	999	877
180 days - 365 days	42	118
More than 365 days	49	58
Past due but impaired:		
Less than 180 days	101	16
180 days - 365 days	30	58
More than 365 days	50	58
Less: Allowance for credit losses	(181)	(132)
<b>Total</b>	<b>5,268</b>	<b>4,416</b>

There is no receivable from single customer which which is more than 10 percent of the Group's total receivables during the current and previous financial year.

Credit risk on investments, cash and cash equivalent and derivatives is limited as the Group generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. All these banks and financial institutions are high-rate funds of minimum AA+ and above. Investments primarily include investment in liquid mutual fund units and inter-corporate deposits with financial institutions.

### (iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. In addition, the Group maintains line of credits as stated in note 13.

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

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

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2025:

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Lease liabilities (non-current)	-	541	1,731	4,736	7,009
Lease liabilities (current)	526	-	-	-	526
Borrowings (current)	1,196	-	-	-	1,196
Trade payables	3,520	-	-	-	3,520
Derivative liabilities (non-current)	-	18	-	-	18
Derivative liabilities (current)	56	-	-	-	56
Other financial liabilities	704	-	-	-	704
<b>Total</b>	<b>6,002</b>	<b>559</b>	<b>1,731</b>	<b>4,736</b>	<b>13,029</b>

\*Amount less than 0.5 Million

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2024:

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Lease liabilities (non-current)	-	467	1,402	4,556	6,425
Lease liabilities (current)	481	-	-	-	481
Borrowings (non-current)	-	1,000	-	-	1,000
Borrowings (current)	417	-	-	-	417
Trade payables	2,555	-	-	-	2,555
Derivative liabilities (non-current)	-	-*	-	-	-
Derivative liabilities (current)	10	-	-	-	10
Other financial liabilities	665	-	-	-	665
<b>Total</b>	<b>4,128</b>	<b>1,467</b>	<b>1,402</b>	<b>4,556</b>	<b>11,553</b>

## (iv) Market risk

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

### Foreign currency risk

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

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

31 March 2025	USD	EUR	Others
<b>Financial assets</b>			
Trade receivables	3,233	46	16
Cash and cash equivalents	2,086	337	1
Derivative assets	2,237	-	-
<b>Financial liabilities</b>			
Borrowings (current)	(1,196)	-	-
Trade payables	(448)	(88)	(71)
Derivative liabilities	(73)	-	-
Other financial liabilities (current)	(93)	(7)	(4)
<b>Net assets / (liabilities)</b>	<b>5,746</b>	<b>288</b>	<b>(58)</b>

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

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

31 March 2024	USD	EUR	Others
<b>Financial assets</b>			
Trade receivables	3,908	207	~*
Cash and cash equivalents	479	58	1
Derivative assets	2,542	-	-
Other financial assets (current)	49	-	-
<b>Financial liabilities</b>			
Borrowings (current)	(1,000)	-	-
Borrowings (non-current)	(417)	-	-
Trade payables	(143)	(35)	(111)
Derivative liabilities	(10)	-	-
Other financial liabilities (current)	(67)	(53)	(312)
<b>Net assets / (liabilities)</b>	<b>5,341</b>	<b>177</b>	<b>(422)</b>

\* Less than Rs. 0.5 million.

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

### Sensitivity analysis

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

Particulars	Impact on profit or loss		Impact on other equity	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
<b>USD Sensitivity</b>				
INR/USD - Increase by 1%	58	53	(529)	(560)
INR/USD - Decrease by 1%	(56)	(53)	542	560
<b>EUR Sensitivity</b>				
INR/EUR - Increase by 1%	3	2	2	2
INR/EUR - Decrease by 1%	(2)	(1)	(1)	(1)

### Derivative financial instruments

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

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

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Foreign exchange forward contracts to sell USD	250	143	134	-	527
European style option contracts	105	60	57	-	222

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

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Foreign exchange forward contracts to sell USD	234	136	142	45	557
European style option contracts	99	63	61	19	242

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

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

## Cash flow 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 cash flow interest rate risk. During the year ended 31 March 2025 and 31 March 2024 the Group's borrowings at variable rate were mainly denominated in USD.

### (a) Interest rate risk exposure

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31 March 2025	31 March 2024
Variable rate borrowings	1,196	1,417
<b>Total borrowings</b>	<b>1,196</b>	<b>1,417</b>

### (b) Sensitivity

Variable rate borrowings:

A reasonably possible change of 100 bps would have increased / (decreased) profit and loss and equity by Rs. 12 (31 March 2024 : Rs. 14).

## 29. Capital management

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

The Group's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute annual dividends in future periods.

The amount of future dividends of equity shares will be balanced with efforts to continue to maintain an adequate liquidity status.

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

Particulars	31 March 2025	31 March 2024
Total equity attributable to the equity shareholders of the Company	47,268	42,578
As a percentage of total capital	98%	97%
 Borrowings	 1,196	 1,417
<b>Total borrowings</b>	<b>1,196</b>	<b>1,417</b>
As a percentage of total capital	2%	3%
 <b>Total capital (Equity and Borrowings)</b>	 <b>48,464</b>	 <b>43,994</b>

## 30. Tax expense

### (a) Amount recognised in Statement of profit and loss

	Year ended 31 March 2025	Year ended 31 March 2024
Current tax	1,384	1,230
Deferred tax:		
MAT credit entitlement	402	46
Others related to:		
Origination and reversal of other temporary differences	(149)	(168)
<b>Tax expense for the year</b>	<b>1,637</b>	<b>1,108</b>
 <b>Reconciliation of effective tax rate</b>		
Profit before tax and exceptional item	6,279	6,319
Add: Exceptional item	320	111
<b>Profit before tax</b>	<b>6,599</b>	<b>6,208</b>
Tax at statutory income tax rate 34.39% (31 March 2024 - 34.94%)	2,268	2,168

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

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

	Year ended 31 March 2025	Year ended 31 March 2024
Tax effects of amounts which are not deductible / (taxable) in calculating taxable income		
Tax incentive	(808)	(834)
Non-deductible expense	24	35
Basis difference that will reverse during the tax holiday period	71	-
Adjustments for current tax of prior periods	(20)	(243)
Effect of settlement under 'Vivad se Vishwas' scheme	95	-
Others	6	(18)
<b>Income tax expense</b>	<b>1,637</b>	<b>1,108</b>

### (b) Recognised deferred tax assets and liabilities

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

For the year ended 31 March 2025	Opening balance	Recognised in profit or loss	Recognised in OCI	Recognised in equity	Others	Closing balance
<b>Deferred tax asset</b>						
MAT credit entitlement	1,572	(402)	-	-	105	1,275
Defined benefit obligations	190	10	(2)	-	11	209
Others	64	9	(6)	-	(39)	28
<b>Gross deferred tax assets</b>	<b>1,826</b>	<b>(383)</b>	<b>(8)</b>	<b>-</b>	<b>77</b>	<b>1,512</b>
<b>Deferred tax liability</b>						
Property, plant and equipment, investment property and intangible assets, net	1,063	(130)	-	-	(3)	930
Derivatives, net	332	-	(44)	-	-	288
Others	24	-	-	-	(24)	-
<b>Gross deferred tax liability</b>	<b>1,419</b>	<b>(130)</b>	<b>(44)</b>	<b>-</b>	<b>(27)</b>	<b>1,218</b>
<b>Deferred tax assets / (liabilities), net</b>	<b>407</b>	<b>(253)</b>	<b>36</b>	<b>-</b>	<b>104</b>	<b>295</b>

For the year ended 31 March 2024	Opening balance	Recognised in profit or loss	Recognised in OCI	Recognised in equity	Others	Closing balance
<b>Deferred tax asset</b>						
MAT credit entitlement	1,618	(46)	-	-	-	1,572
Defined benefit obligations	170	15	5	-	-	190
Others	-	(4)	34	35	-	64
<b>Gross deferred tax assets</b>	<b>1,788</b>	<b>(35)</b>	<b>39</b>	<b>35</b>	<b>-</b>	<b>1,826</b>
<b>Deferred tax liability</b>						
Property, plant and equipment, investment property and intangible assets, net	1,221	(157)	-	-	-	1,063
Others	(154)	-	486	-	-	332
<b>Gross deferred tax liability</b>	<b>1,090</b>	<b>(157)</b>	<b>486</b>	<b>-</b>	<b>-</b>	<b>1,419</b>
<b>Deferred tax assets / (liabilities), net</b>	<b>698</b>	<b>122</b>	<b>(447)</b>	<b>35</b>	<b>-</b>	<b>407</b>

- (c) During the quarter ended 31 December 2023, the Company recorded Interest income on income tax refund of Rs 158 pursuant to Income Tax Tribunal order for Financial Years 2009-10 and 2010-11 and the same has been presented as income in the consolidated financial statement under the head 'Other Income'. Instead of providing a cash refund, the tax department has adjusted the refund against tax demands for Financial Years 2011-12, 2013-14, and 2015-16.
- (d) During the quarter ended 31 March 2025, the Company has opted for "Vivad se Vishwas Scheme, 2024" which has resulted in settlement of pending TDS assessments related to non resident tax deductions. Consequent to this, tax expense under the scheme amounting to Rs 95 million has been recorded under the head "Current tax". The settlement has also resulted in reduction of contingent liabilities by Rs 197 million.
- (e) Tax expenses for the year ended 31 March 2024 is net of reversal of income tax provision amounting to Rs 232 based on favourable tax assessment orders received during the quarter ended 31 March 2024.

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

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

## 31. Contingent liabilities and commitments

(to the extent not provided for)

### (i) Contingent liabilities

	31 March 2025	31 March 2024
(a) Claims against the Company not acknowledged as debt	6,285	6,321

The above includes:

(I) Income tax matters under dispute for notices and orders received relating to financial year 2008-09, 2012-13 to 2018-19, 2020-21 and 2021-22 (31 March 2024 : financial year 2008-09, 2011-12 to 2018-19 and 2020-21 to 2021-22)	6,158	6,194
(II) Indirect tax matters under dispute for notices and orders received relating to financial year 2009-10 to 2017-18 (31 March 2024 : financial year 2009 - 10 to 2017 - 18)	127	127

(III) In light of judgment of Honourable Supreme Court dated 28th February 2019 on the definition of "Basic Wages" under the Employees Provident Funds & Misc. Provisions Act, 1952 and based on Group's evaluation, there are significant uncertainties and numerous interpretative issues relating to the judgement and hence it is unclear as to whether the clarified definition of Basic Wage would be applicable prospectively or retrospectively. The amount of the obligation therefore cannot be measured with sufficient reliability for past periods and hence has currently been considered to be a contingent liability.

Including the matters disclosed above, the Group is involved in taxation matters that arise from time to time in the ordinary course of business for years that are under assessment. Judgment is required in assessing the range of possible outcomes for some of these tax matters, which could change substantially over time as each of the matter progresses depending on experience on actual assessment proceedings by tax authorities and other judicial precedents. Based on its internal assessment supported by external legal counsel views, if any, the Group believes that it will be able to sustain its positions if challenged by the authorities and accordingly no additional provision is required for these matters. Management is of the view that above matters will not have any material adverse effect on the Group's financial position and results of operations.

### (b) Guarantees

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

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

### (ii) Commitments

	31 March 2025	31 March 2024
Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances	1,707	2,001

## 32. (a) Interest in other entities

### Subsidiaries

The Group's subsidiary as at 31 March 2025 is set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held by the Group, and proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Country of incorporation	Ownership interest held by the group		Ownership interest held by the non-controlling interest		Principal activities
		31 March 2025 %	31 March 2024 %	31 March 2025 %	31 March 2024 %	
Syngene USA Inc.	United States	100	100	-	-	- Business support and marketing for research services
Syngene Scientific Solutions Limited	India	100	100	-	-	- CRAMS and clinical research services
Syngene Manufacturing Solutions Limited	India	100	100	-	-	- Manufacture of enzyme products and medicinal goods

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

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

(b) Additional information, as required under Schedule III of the Act, of enterprises consolidated as subsidiary

Name of entity	Net assets as at 31 March 2025		Share in profit or loss for the year ended 31 March 2025		Share in other comprehensive income for the year ended 31 March 2025		Share in total comprehensive income for the year ended 31 March 2025	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated other comprehensive income	Amount
<b>Holding Company</b>								
Syngene International Limited	88.9%	42,042	94.3%	4,680	98.8%	(145)	94.2%	4,535
<b>Subsidiaries</b>								
Syngene USA Inc.	9.3%	4,415	0.8%	38	-	-	0.8%	38
Syngene Scientific Solutions Limited	1.7%	812	4.9%	244	1.2%	(2)	5.0%	242
Syngene Manufacturing Solutions Limited	0.0%	(1)	0.0%	*	-	-	0.0%	0
Non-controlling interest	-	-	-	-	-	-	-	-
<b>Total</b>	<b>100%</b>	<b>47,268</b>	<b>100%</b>	<b>4,962</b>	<b>100%</b>	<b>(147)</b>	<b>100%</b>	<b>4,815</b>
Name of entity	Net assets as at 31 March 2024		Share in profit or loss for the year ended 31 March 2024		Share in other comprehensive income for the year ended 31 March 2024		Share in total comprehensive income for the year ended 31 March 2024	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated other comprehensive income	Amount
<b>Holding Company</b>								
Syngene International Limited	98.3%	41,846	91.5%	4,665	100.4%	1,431	93.4%	6,096
<b>Subsidiaries</b>								
Syngene USA Inc.	0.3%	122	0.8%	40	0%	-	0.6%	40
Syngene Scientific Solutions Limited	1.4%	610	7.8%	396	-0.4%	(5)	6.0%	391
Syngene Manufacturing Solutions Limited	0.0%	(1)	0.0%	(0)	0%	-	0.0%	(0)
Non-controlling interest	-	-	-	-	-	-	-	-
<b>Total</b>	<b>100%</b>	<b>42,578</b>	<b>100%</b>	<b>5,100</b>	<b>100%</b>	<b>1,426</b>	<b>100%</b>	<b>6,526</b>

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

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

## 33. Segmental Information

### Operating segments

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

### Geographical information

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

	Year ended 31 March 2025	Year ended 31 March 2024
Revenue from operations:		
India	1,399	1,077
United States of America	22,273	23,325
Europe	11,260	8,775
Rest of the World	1,492	1,709
<b>Total</b>	<b>36,424</b>	<b>34,886</b>

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

Carrying amount of non-current assets	31 March 2025	31 March 2024
India	42,269	38,942
Outside India	-	-
<b>Total</b>	<b>42,269</b>	<b>38,942</b>

Note: Non-current assets excludes investments, derivative assets, financial assets and deferred tax assets.

### Major customer

Revenue from two customers (31 March 2024 - two customer) of the Group's Revenue from operations aggregates to Rs. 14,987 (31 March 2024 - Rs. 13,450) which is more than 10 percent of the Group's total revenue.

## 34. Share based compensation

### (1) Syngene ESOP Plan 2011

On 20 July 2012, Syngene Employee Welfare Trust ('Trust') was created for the welfare and benefit of the employees and directors of the Company and administrated by the Nomination and Remuneration Committee. The Board of Directors approved the employee stock option plan of the Company. On 31 October 2012, the Trust subscribed into the equity shares of the Company using the proceeds from interest free loan of Rs. 150 obtained from the Company.

#### Grant

Pursuant to the Scheme, the Company has granted options to eligible employees of the Company under Syngene Employee Stock Option Plan - 2011. Each option entitles for one equity share. The options under this grant will vest to the employees as 25%, 35% and 40% of the total grant at end of second, third and fourth year from the date of grant, respectively, with an exercise period of three years for each grant. The vesting conditions include service terms and performance of the employees. These options are exercisable at an exercise price of Rs. 11.25 [31 March 2024 : Rs. 11.25] per share (Face Value of Rs. 10 per share).

Details of Grant

Particulars	31 March 2025 No. of options	31 March 2024 No. of options
Outstanding at the beginning of the year	134,123	610,191
Granted during the year	-	-
Forfeited / lapsed during the year	(10,132)	(6,306)
Exercised during the year	(89,992)	(469,762)

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

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

Particulars	31 March 2025 No. of options	31 March 2024 No. of options
<b>Outstanding at the end of the year</b>	<b>33,999</b>	<b>134,123</b>
Exercisable at the end of the year	33,999	61,472
Weighted average exercise price	11.25	11.25
Weighted average share price at the date of exercise (In Rs)	787.7	745.7

The weighted average remaining contractual life for the stock options outstanding as at 31 March 2025 is 2 years [31 March 2024 : 3 years ].

### (2) Syngene Restricted Stock Unit Long Term Incentive Plan 2020

The Board of Directors of the Company on 24 April 2019 and the Shareholders of the Company in the Annual General Meeting held on 24 July 2019 approved the Syngene Restricted Stock Unit Long Term Incentive Plan FY 2020. Each option entitles for one equity share. The options under this grant will vest to the employees as 25%, 25%, 25% and 25% of the total grant at the end of first, second, third and fourth year from the date of first grant, respectively, with an exercise period of 5 years for each grant. The vesting conditions include service terms and performance of the employees. These options are exercisable at an exercise price of Rs. 10 per share (Face Value of Rs. 10 per share).

#### Details of Grant

Particulars	31 March 2025 No. of options	31 March 2024 No. of options
Outstanding at the beginning of the year	842,084	1,573,842
Granted during the year	-	38,032
Forfeited during the year	(70,507)	(128,204)
Exercised during the year	(549,015)	(641,587)
<b>Outstanding at the end of the year</b>	<b>222,562</b>	<b>842,084</b>
Exercisable at the end of the year	222,562	561,068
Weighted average exercise price	10.00	10.00
Weighted average fair value of shares granted during the year under Black Scholes Model (In Rs)	-	584.50
Weighted average share price at the date of exercise during the year (In Rs)	787.7	659.8

The weighted average remaining contractual life for the stock options outstanding as at 31 March 2025 is 2.34 years [31 March 2024 : 3.34 years ].

Assumptions used in determination of the fair value of the stock options under the Black Scholes Model are as follows:

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

Particulars	31 March 2025	31 March 2024
Dividend yield (%)	0.0%	0.0%
Exercise Price (In Rs)	10	10
Volatility	30.4%	30.4%
Life of the options granted (vesting and exercise period) [in years]	3.5	3.5
Average risk-free interest rate	7.2%	7.2%

### (3) Syngene Long Term Incentive Performance Share Plan 2023

The Board of Directors of the Company on 22 March 2023 and the Shareholders of the Company on 23 April 2023 approved the Syngene Long Term Incentive Performance Share Plan 2023. Each option entitles for one equity share. The plan comprises of 3 metrics basis which performance is evaluated and the units shall vest on 31 May after the close of the third financial year for which the performance is being considered i.e. 31 May 2025, with an exercise period of 5 years for each grant. The vesting conditions include service terms of the employees. These options are exercisable at an exercise price of Rs. 10 per share (Face Value of Rs. 10 per share).

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

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

### Details of Grant

Particulars	31 March 2025 No. of options	31 March 2024 No. of options
Outstanding at the beginning of the year	258,254	-
Granted during the year	1,180,989	258,254
Forfeited during the year	(453,476)	-
Exercised during the year	-	-
<b>Outstanding at the end of the year</b>	<b>985,767</b>	<b>258,254</b>
Exercisable at the end of the year	-	-
Weighted average exercise price	-	-
Weighted average value of shares granted during the year under Black Scholes Model (In Rs)	976.7	906
Weighted average share price at the date of exercise during the year (In Rs)	-	-

The weighted average remaining contractual life for the stock options outstanding as at 31 March 2025 is 6.29 years [31 March 2024 : 6.17].

Assumptions used in determination of the fair value of the stock options under the Black Scholes Model are as follows:

Particulars	31 March 2025	31 March 2024
Dividend yield (%)	0.0%	0.0%
Exercise Price (In Rs)	10	10
Volatility	25.4%	26.2%
Life of the options granted (vesting and exercise period) [in years]	6.29	6.17
Average risk-free interest rate	6.5%	7.1%

### (4) Syngene Long Term Incentive Outperformance Share Plan 2023

The Board of Directors of the Company on 22 March 2023 and the Shareholders of the Company on 23 April 2023 approved the Syngene Long Term Incentive Outperformance Share Plan 2023. The performance assessment period for the said plan is FY 2023 to FY 2027 (i.e. 5 years). However, no grants were given to any employees during the year ended 31 March 2025. Accordingly, no accounting has been done in the current financial year.

### Syngene Employee Welfare Trust

The assets and liabilities of the aforesaid trust have been accounted for as the assets and liabilities of the Company on the basis that such trust is merely acting as the agent of the company (as given in the table below).

Particulars	31 March 2025	31 March 2024
<b>Assets</b>		
Investments	40	37
Other current assets	6	5
<b>Liabilities</b>		
Reserves	(38)	(38)
Current liabilities	(9)	(4)
<b>Cash and bank balance</b>	<b>(1)</b>	<b>1</b>

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

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

### 35. Leases

The Group has entered into lease agreements for use of land, buildings, plant and equipment and vehicles which expires over a period ranging upto the year of 2039. Gross payments for the year aggregate to Rs. 537 (31 March 2024 - Rs. 367).

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

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

Particulars	Land	Buildings	Vehicles	Total
Balance at the beginning	299	3,787	48	4,136
Additions during the year	-	896		896
Finance cost accrued during the period	20	369	3	392
Deletions	-	(303)	(1)	(304)
Payment of lease liabilities	(38)	(473)	(26)	(537)
Balance at the end	281	4,276	24	4,583

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

Particulars	Land	Buildings	Vehicles	Total
Balance at the beginning	316	2,039	43	2,400
Additions during the year	-	1,804	30	1,834
Finance cost accrued during the period	21	244	4	269
Payment of lease liabilities	(38)	(300)	(29)	(367)
Balance at the end	299	3,787	48	4,135

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

Particulars	31 March 2025	31 March 2024
Current	495	484
Non-current	4,088	3,651
Total	4,583	4,135

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

Particulars	31 March 2025	31 March 2024
Less than one year	526	481
One to five years	2,272	1,870
More than five years	4,736	4,555
Total	7,534	6,906

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

Particulars	31 March 2025	31 March 2024
Depreciation expenses on right of use-assets	465	347
Interest expenses on lease liabilities	392	269
Rent (Refer note 25)	61	55
Total	917	671

### 36. Exceptional items

During the year ended 31 March 2025, the Company has received its final claim of Rs 320 million from the insurance company for the loss of fixed assets in a fire incident on 12 December 2016, and the same has been presented in this consolidated financial statements under the 'Exceptional Items'.

The Company incurred transaction costs of Rs 111 relating to the acquisition of multi modal facility (Unit 3) from Stelis Biopharma Limited (SBL) and the same has been presented under Exceptional items in this Consolidated financial statements for the year ended 31 March 2024.

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

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

## 37. Corporate social responsibility

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

Particulars	31 March 2025	31 March 2024
(a) Amount required to be spent by the Company during the year	115	101
(b) Amount unspent of previous years shortfall	10	31
(c) Amount spent during the year (in cash)		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	118	122
(d) Amount unspent and carried forward to next year	7	10

(e) Details of unspent obligations:

Details of ongoing project and other than ongoing project

In case of Section 135(5) of the Companies Act, 2013 (Ongoing project)						
Opening balance as at 1 April 2024 With Company	In Separate CSR Unspent	Amount required to be spent during the year	Amount spent during the year From Company's bank account	From Separate CSR Unspent account	Closing balance as at 31 March 2025 With Company	In Separate CSR Unspent account
-	10	115	111	8	4.3	2.5

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

In case of Section 135(5) of the Companies Act, 2013 (Ongoing project)						
Opening balance as at 1 April 2023 With Company	In Separate CSR Unspent	Amount required to be spent during the year	Amount spent during the year From Company's bank account	From Separate CSR Unspent account	Closing balance as at 31 March 2024 With Company	In Separate CSR Unspent account
-	31	3	-	21	-	10

In case of Section 135(5) of the Companies Act, 2013 (Other than ongoing project)				
Opening Balance as at 1 April 2023	Amount deposited in specified fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing balance as at 31 March 2024
-	-	-	-	-

## 38. Earnings per equity share (EPS)

Particulars	31 March 2025	31 March 2024
Earnings		
Profit for the year	4,962	5,100
Shares		
Basic outstanding shares	402,536,981	402,015,000
Add: number of shares vested but not yet exercised	515,464	608,429

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

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

Particulars	31 March 2025	31 March 2024
Less: Weighted average shares held with the ESOP Trust	(1,126,671)	(1,243,697)
<b>Weighted average shares used for computing basic EPS</b>	<b>401,925,774</b>	<b>401,379,732</b>
Add: Effect of dilutive options granted but not yet exercised / not yet eligible for exercise	392,216	591,816
<b>Weighted average shares used for computing diluted EPS</b>	<b>402,317,990</b>	<b>401,971,548</b>
<b>Earnings per equity share</b>		
Basic (in Rs.)	12.34	12.71
Diluted (in Rs.)	12.32	12.69

### 39. Other Statutory Information :

- (i) The Group does not have any Benami property or any proceeding is pending against the Group for holding any Benami property.
- (ii) The Group do not have any transactions with companies struck off.
- (iii) The Group do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- (iv) The Group has not traded or invested in crypto currency or virtual currency during the financial year.
- (v) The Group has not advanced or loaned or invested any funds (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other persons or entities, including foreign entities (Intermediaries) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries).
- (vi) The Group has not received any fund from any parties (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Group is not classified as wilful defaulter by Reserve Bank of India.
- (viii) The Group doesn't have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as search or survey.

- 40.** (a) On 26 April 2023, the Board of Directors of the Company have approved an allotment of 580,500 equity shares of Rs. 10/- (Rupees Ten each) of the Company to Syngene Employee Welfare Trust at face value pursuant to the shareholders' approval at the Annual General Meeting on 24 July 2019 to allot fresh equity shares upto 1.67% of the paid-up equity capital of the Company in tranches for the purpose of implementation of the Syngene International Limited - Restricted Stock Unit Long Term Incentive Plan FY 2020.
- (b) On 24 April 2024, the Board of Directors of the Company have approved an allotment of 521,981 equity shares of Rs. 10/- (Rupees Ten each) of the Company to Syngene Employee Welfare Trust at face value pursuant to the shareholder's approval at the Annual General Meeting on 24 July 2019 to allot fresh equity shares upto 1.67% of the paid-up equity capital of the Company in tranches for the purpose of implementation of the Syngene International Limited - Restricted Stock Unit Long Term Incentive Plan FY 2020.
- 41.** On 26 April 2023, the Board of Directors recommended a final dividend of Rs. 1.25 per equity share of Rs. 10/- (comprising a regular dividend of Rs.0.5 per share and a special additional dividend of Rs. 0.75 per share to mark the 30th anniversary of the founding of the Company in November 1993). The shareholders approved the dividend in the Annual General Meeting held on 26 July 2023 and was subsequently paid.
- 42.** On 24 April 2024, the Board of Directors recommended a final dividend of Rs. 1.25 per equity share of Rs. 10/-. The proposed dividend is subject to the approval of the shareholders in the Annual General Meeting. The shareholders approved the dividend in the Annual General Meeting held on 24 July 2024 and was subsequently paid.

### 43. Acquisition through Slump Sale:

On 04 July 2023, the Company's Board of Directors entered into a binding term sheet for acquiring Unit 3 biologics manufacturing facility in Bangalore, India, from Stelis Biopharma Limited (SBL). The unit has been acquired effective 01 December 2023 on a slump sale basis at a total cash consideration of Rs. 5,632.

The acquisition will add 20,000 litres of installed biologics drug substance manufacturing capacity for Syngene. The site has the potential for future expansion of up to a further 20,000 litres of biologics drug substance manufacturing capacity. It also includes a commercial scale, high speed, fill-finish unit – an essential capability for drug product manufacturing.

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

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

The Company has carried out a preliminary purchase price allocation between tangible assets and other balances taken over to assess the fair value as on the acquisition date and accordingly recorded a capital reserve of Rs 39.

The following table summarises major class of the assets and liabilities taken over:

Particulars	
Property, plant and equipment	6,207
Other assets	104
Capital creditors	(638)
Other liabilities	(2)
<b>Value of business taken over (A)</b>	<b>5,671</b>
<b>Purchase consideraion (B)</b>	<b>5,632</b>
<b>Capital reserve (C=B-A)</b>	<b>(39)</b>

- 44.** During the quarter ended 31 March 2025, the Company has acquired biologics site in the USA fitted with multiple monoclonal antibody (mAbs) manufacturing lines from Emergent Manufacturing Operations Baltimore, LLC (a subsidiary of Emergent BioSolutions Inc.). This acquisition will increase the company's total single-use bioreactor capacity to 50,000L for large molecule discovery, development, and manufacturing services. This acquisition will also increase the options that can be offered to global customers, providing commercial scale biologics manufacturing capabilities across our global network. The transaction has been classified as an 'asset acquisition' under Ind AS 103. The costs incurred till 31 March 2025 eligible for capitalization are being accumulated as Capital Work in Progress amounting to Rs 2,981 million (USD 34.89 million). An amount of Rs 311 million (USD 3.64 million) has been capitalized as Land. These amount includes pre-transaction costs of Rs 101 million (USD 1.18 million).

### 45. Events after reporting period

- a) On 23 April 2025, the Board of Directors of the Company have approved an allotment of 402,439 equity shares of Rs. 10/- (Rupees Ten each) of the Company to Syngene Employees Welfare Trust at face value pursuant to special resolution passed through Postal Ballot on 23 April 2023 to allot fresh equity shares upto 0.55% (2,200,000 shares) of the paid-up equity capital of the Company in tranches for the purpose of implementation of the Syngene Long Term Incentive Performance Share Plan 2023.
- (b) On 23 April 2025, the Board of Directors recommended a final dividend of Rs. 1.25 per equity share of Rs. 10/-. The proposed dividend is subject to the approval of the shareholders in the Annual General Meeting.

for **B S R & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022

**G Prakash**

Partner

Membership number: 099696

Bengaluru

Date: 23 April 2025

for **and on behalf of the Board of Directors of Syngene International Limited**

**Kiran Mazumdar Shaw**

Chairperson

DIN: 00347229

**Deepak Jain**

Chief Financial Officer

Bengaluru

Date: 23 April 2025

**Peter Bains**

Managing Director & Chief Executive Officer

DIN: 00430937

**Priyadarshini Mahapatra**

Company Secretary

FCS Number: F8786