Corporate Office:
Solara Active Pharma Sciences Limited
TICEL Bio Park, 6th Floor,
Module No. 601, 602, 603, Phase II – CSIR Road,
Taramani, Chennai, Tamil Nadu – 600113.
Tel: +91 44 4344 6700
Fax: +91 44 47406190
E-mail: investors@solara.co.in
Website: www.solara.co.in

September 02, 2025

The BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	**The National Stock Exchange of India Limited** Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051
Scrip Code: 541540, 890202	**Scrip Code: SOLARA, SOLARAPP1**

Dear Sir / Madam,

Subject: Notice of 8th Annual General Meeting and Annual Report for the financial year 2024-25

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Notice convening 8th Annual General Meeting (AGM) along with the Annual Report for the financial year 2024-25 which will be circulated to the shareholders through electronic mode. The 8th AGM is scheduled to be held on Thursday, September 25, 2025, at 10.30 A.M (IST) through Video Conference (VC) / Other Audio-Visual Means (OAVM), in accordance with the Circulars issued by Ministry of Corporate Affairs (MCA), SEBI and applicable provisions of the Companies Act, 2013 and the Rules made thereunder.

The Notice along with the Annual Report for the financial year 2024-25 made available on the Company's website at https://solara.co.in/investor-relations/annual-reports/#annual.

The schedule of AGM is as set out below:

Particulars	Details
Date and Time of AGM	Thursday, September 25, 2025 at 10.30 AM (IST).
Eligible to vote – Cut-off date	Thursday, September 18, 2025
Remote e-voting start date and time	Saturday, September 20, 2025; 9.00 AM (IST)
Remote e-voting end date and time	Wednesday, September 24, 2025; 5.00 PM (IST)
Website of CDSL for remote e-voting and participation in the AGM	https://www.evotingindia.com/

Kindly take the above information on records.

Thanking You,

Yours Faithfully,
For Solara Active Pharma Sciences Limited

POOJA JAYA KUMAR
Digitally signed by POOJA JAYA KUMAR
Date: 2025.09.02 20:49:15 +05'30'

Pooja Jaya Kumar
Company Secretary & Compliance Officer
ICSI Membership No.: A57415

Solara Active Pharma Sciences Limited
Annual Report 2024-25

SOLARA
Active Pharma Sciences

Sustainable. Scalable. Profitable.

REPIVOTING FROM RESET TO GROWTH

Today, we stand at the forefront of pharmaceutical innovation, backed by three decades of focused expertise as a pure-play Active Pharmaceutical Ingredients (API) manufacturer. Repivoting from reset to growth, we are deeply committed to protecting human life by continually elevating the quality of care for patients across the globe.

Anchored in a culture of innovation, we integrate cutting-edge technology, scientific excellence, and deep market insight to deliver value-driven products that respond to the evolving needs of our customers and partners.

FY25 served as a reset year for Solara, during which we remained committed to prioritising profitable, high-margin, and high quality business segments. For the year, we recorded revenues of ₹1,292.08 Crores. Our gross margin expanded significantly to ₹664.91 Crores, marking a 36% year-on-year increase and a gross margin percentage of 51.5%, up from 37.8% in FY24. EBITDA demonstrated a strong turnaround as well, reaching ₹213.84 Crores with a margin of 16.5%, compared to a negative margin of -7.1% in the prior year.

Financial

₹1,292.08 Crores
Revenue

₹213.84 Crores
EBITDA

₹664.91 Crores
Reported Gross Profit

₹0.54 Crores
PAT

Solara, meanwhile, continues to advance its core API business with renewed clarity and conviction. Looking ahead, we are poised to build on our strong foundation and sharpened strategy to capture emerging opportunities, drive growth that is sustainable, scalable and profitable, and deliver life-saving solutions that make a lasting impact on global healthcare.

ACHIEVEMENTS OF FY25

Environment

73.5

Kilo Joules per rupee of turnover

(95 Kilo Joules per rupee in FY24)

32

Metric tonnes of CO_2 equivalent per ₹ Crores turnover

(60 Metric tonnes of CO_2 equivalent in FY24)

25

Millilitres per rupee of turnover

(30 Millilitres per rupee in FY24)

Social

₹0.65 Crores

Investment in CSR activities

Governance

4

Independent Directors with one Woman Director

CONTENTS

About Us

Solara Active Pharma Sciences Limited (hereafter referred to as 'Solara', 'We', or 'Our Company') offers a diversified portfolio of high-value commercial APIs across more than 70 countries. Our robust manufacturing base comprises six state-of-the-art API manufacturing facilities that comply with stringent global standards. These facilities have received approvals from major regulatory authorities, including the United States Food and Drug Administration (USFDA), the European Union Good Manufacturing Practices (EU GMP), and the Pharmaceuticals and Medical Devices Agency (PMDA) in Japan.

DRIVING GLOBAL EXCELLENCE IN COMMERCIAL APIS

Our objective is to meet the changing needs of our clients while enhancing stakeholder value through operational efficiency, continuous innovation, and rigorous regulatory compliance. As a specialist in APIs, we remain dedicated to advancing our product development capabilities and achieving technological breakthroughs, thereby strengthening our competitive position in the global pharmaceutical landscape.

Our Purpose

Together for a healthier tomorrow

Our Mission

To be a customer-centric organisation delivering APIs of high quality

Our Vision

To be among the Top 10 Pure-Play global API companies that build significant value for our partners, stakeholders, and shareholders committed to protecting human life and the environment.

Our Core Values

Respect

We treat each other and our partners with respect. We value and respect each other's time. We will always respect our competition.

Integrity

Our business stands on the pillar of integrity, honesty and fairness. Everything we do here stands the test of public scrutiny.

Transparency

Through timely communications, we endeavour to keep our stakeholders, suppliers and customers aware and well-informed on how we conduct our business.

Efficiency

We will achieve the highest level of efficiency through a focused approach to customer centricity and continuous improvement. We will always strive to ensure that our employees are empowered to deliver the best customer service in the industry.

SOLARA AT A GLANCE

Present in over **70 countries** worldwide

Operate **6 globally approved** manufacturing facilities

Completed **33 successful** USFDA audits across different sites till date

Backed by a dedicated team of **60+ scientists**

A state-of-the-art **research centre** driving innovation

Offer more than **60 commercial** products

Supported by a workforce of over **1,700 professionals**

Our Business

BUILDING A ROBUST PORTFOLIO OF PATIENT-CENTRIC SOLUTIONS

Our primary purpose is to improve patient well-being worldwide by driving meaningful innovation in Active Pharmaceutical Ingredients. We are committed to developing high-quality APIs that meet the evolving healthcare needs of patients and healthcare providers alike.

Through the introduction of new APIs and targeted research and development initiatives carefully aligned with client requirements, we have significantly strengthened our product portfolio. This focused approach not only enhances our ability to deliver superior healthcare solutions but also establishes a strong foundation for sustainable and long-term growth in a competitive global market.

ACTIVE PHARMA INGREDIENTS (API)

Our strength lies in our ability to design and manufacture top-quality commercial APIs across a diverse range of therapeutic categories. With a legacy spanning more than three decades, we have built a proven track record of successfully bringing complex products to market, including innovative polymer-based APIs and injectables.

Leveraging our extensive experience and expertise in the API industry, we provide our valued clients with exceptional service focused on delivering high-value products. Currently, our portfolio includes over 60 commercial APIs, with an additional 10 under active development.

Our diversified product offerings for the global market span key therapeutic areas such as pain management, anthelmintic, anti-malaria, anti-infective, anti-convulsant, anesthetics, anti-psychotic, and anti-hyperkalemia.

Supported by advanced complex chemistry capabilities, we manufacture polymer-based and iron-based products, among others. Our rigorous API selection process prioritises the needs of end customers, focusing on value over volume to reduce pricing pressures over the long term. We strategically build manufacturing capabilities only after confirming product demand, ensuring sustainable growth and consistent quality.

KEY ACHIEVEMENTS, FY25

Enhanced margin profile driven by a portfolio of profitable products.

Optimised product and customer mix, maintaining regulated market revenues at 76% of total revenue.

Strengthened cost control and cost improvement initiatives, including strategic sourcing from alternate vendors, resulting in reduced Cost of Goods Sold (COGS).

Reduced Net Debt by ~₹223.4 Crores during FY25, which reflects ~22% decrease.

Road ahead

As we repivot the business from reset to a profitable, sustainable and scalable growth we will be further developing on the foundation set during FY25 and will add new focus areas to work upon as we work towards building a stronger FY26.

We continued to concentrate on three broad themes – Growth, Profitability, and a robust Balance Sheet – with sharper focus on the following:

Growth

- Expanded into new geographies while deepening customer base in existing markets.
- Improved linearity of order book and delivery operations.

Profitability

- Prioritised product–customer mix with emphasis on gross margins over topline.
- Reduced exposure to low-margin Ibuprofen business in less-regulated markets.
- Monitored operating costs closely to drive efficiency.
- Optimised capacity utilisation through better workflow planning and network synergies.

Robust Balance Sheet

- Pursued a lighter, stronger balance sheet by focusing on targeted capex and working capital optimisation.
- Strengthened the balance sheet through rights issue proceeds and operating cash flows, with a clear path to further debt reduction and an improved Net Debt to EBITDA profile.

Manufacturing

DELIVERING SCALE WITH ADVANCED MANUFACTURING

We have globally compliant API manufacturing facilities with key regulatory approvals, upholding the highest quality standards. Our state-of-the-art plants cater to both large-scale specialised production and small-volume specialty APIs, leveraging versatile manufacturing capabilities.

By integrating advanced technology, we deliver a strong competitive edge and a diversified product portfolio that reduces single-product concentration risks. This strategic approach enables us to meet diverse client needs while consistently ensuring exceptional quality and reliability.

Our manufacturing facilities operate under stringent quality systems and fully comply with global regulatory standards, ensuring the highest levels of product integrity and safety. Our steadfast focus on cutting-edge technology and innovative production processes gives us a distinctive competitive advantage.

The diverse facility footprint also enables mirrored production capabilities, helping to mitigate regulatory risks and ensuring supply reliability.

Advanced chemistry expertise

Our expertise encompasses a wide range of complex chemistry techniques including high vacuum distillation, hydrogenation, halogenation, Grignard reactions, polymer chemistry, and lyophilisation, enabling precise and consistent production of both large- and small-volume APIs.

Operational resilience and skilled team

With robust capacity designed to minimise concentration risks, our versatile manufacturing infrastructure fosters operational resilience and flexibility. Backed by an industry-leading team of skilled professionals, we effectively manage diverse production requirements, reaffirming our commitment to excellence at every stage of API development and manufacturing.

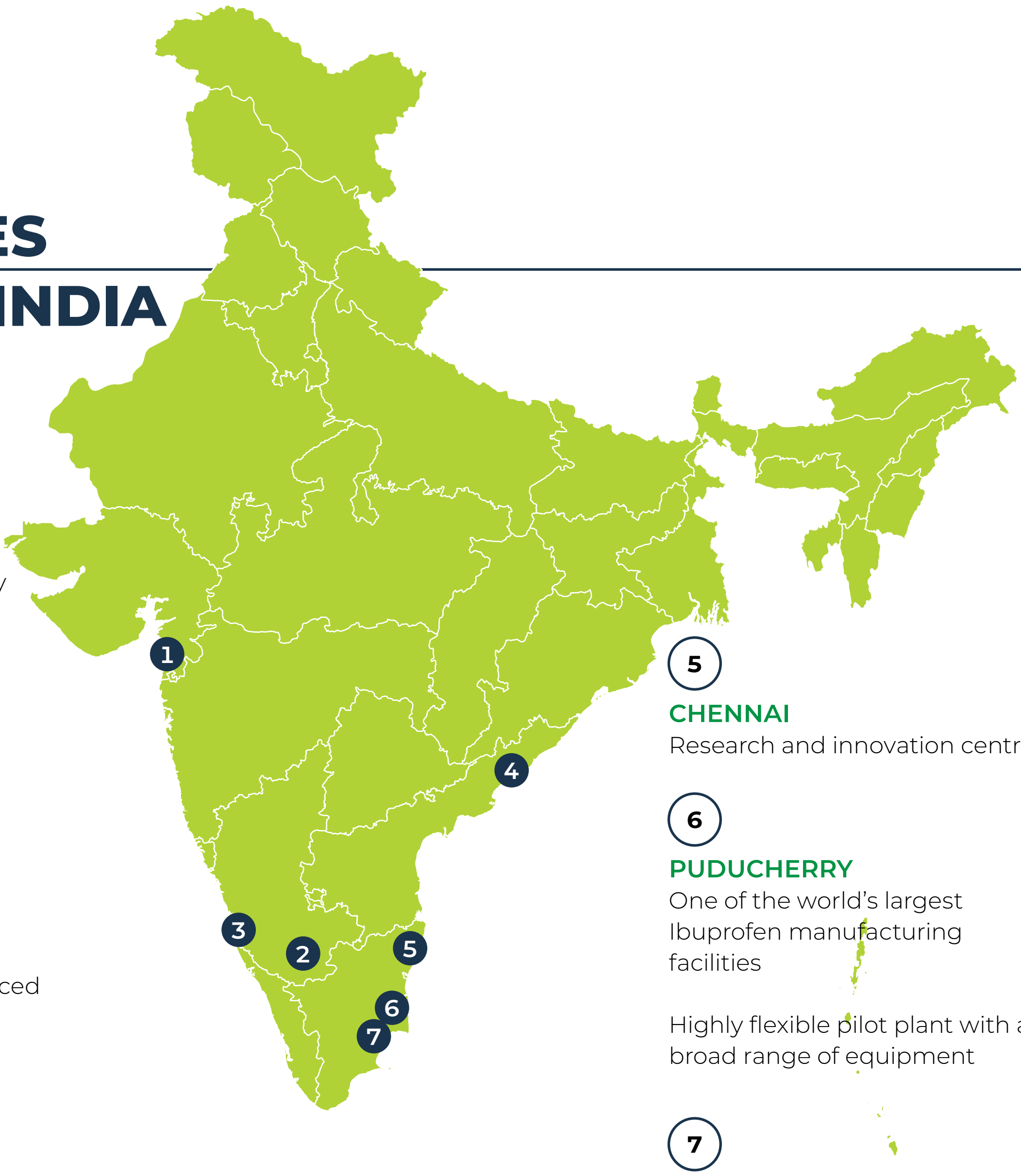
Installed capacity and regulatory compliance

Out of our six API facilities, five have secured regulatory clearance and adhere to international standards. With a total reactor capacity of 2,673 KL, our facilities boast a variety of reactor sizes, showcasing versatility and adaptability. Our manufacturing network comprises a diverse range of factories, ranging from large-scale specialised facilities to small-scale specialty APIs, providing a wide array of options to cater to diverse needs.

We have obtained approvals from several regulatory agencies, including:

- The US Food and Drug Administration (FDA)
- The European Directorate for the Quality of Medicines (EDQM)
- The Korea Food and Drug Administration (KFDA) in South Korea
- The Euro Zone's Good Manufacturing Practice (EU GMP) in Denmark
- The World Health Organisation (WHO) in Geneva
- The Medicines and Healthcare Products Regulatory Agency (MHRA) in United Kingdom
- The Federal Commission for the Protection against Sanitary Risk (Cofepris) in Mexico
- The Therapeutic Goods Administration (TGA) in Australia

FACILITIES ACROSS INDIA



1

Ambernath
Multi-purpose API and intermediate facility

2

Mysuru
Key intermediate manufacturing site

3

Mangaluru
Niche as well as large-volume APIs and advanced drug intermediates

4

VIZAG
State-of-the-art greenfield facility

5

CHENNAI
Research and innovation centre

6

PUDUCHERRY
One of the world's largest Ibuprofen manufacturing facilities

Highly flexible pilot plant with a broad range of equipment

7

Cuddalore
Multi-purpose API and intermediate facility

Cost Optimisation

ADVANCING FOCUS ON COST IMPROVEMENT

We have deployed a series of strategic initiatives aimed at augmenting efficiency and operational resilience. By optimising our manufacturing network through asset and capacity consolidation, we are positioning our Company for sustainable growth. Concurrently, our austerity measures have enabled significant reductions in operating costs while ensuring seamless business continuity.

This reflects our unwavering commitment to operational excellence and strategic resilience. Our robust Standard Operating Procedures (SOPs) ensure that production is closely aligned with market demand, effectively eliminating redundancies.

Additionally, we focus on lowering manufacturing under-recoveries by implementing targeted operational expenditure reduction measures and proactively managing stressed assets at key locations.

Driving cost improvement programmes

Proactive measures to optimise cost efficiency and enhance profitability are underway, primarily through improved sourcing and supplier management. By identifying and partnering with alternate vendors, we aim to achieve significant cost reductions and improve our Cost of Goods Sold (COGS), thereby strengthening overall profitability.

Our Continuous Improvement Programmes (CIP) target large volume, low-margin product. These initiatives streamline production processes, reduce waste, and enhance operational efficiency, directly contributing to increased profitability of these key products.

Moreover, we are undertaking a comprehensive classification of our business into distinct components. This detailed analysis enables us to identify and address stressed assets, ensuring better oversight and improved financial outcomes. Close monitoring and management of these assets are key to enhancing overall business performance and driving sustainable growth.

Reduction in operational expenditure

Our strategic measures to optimise operations and improve efficiency include:

- Consolidating assets and capacities to streamline the manufacturing network, enhancing operational efficiency.
- Reducing operating costs through stringent austerity measures while maintaining uninterrupted business continuity.
- Leveraging a robust S&OP process to synchronise production and sales activities, ensuring optimal resource utilisation and effective market fulfilment.
- Optimising site-specific manufacturing processes to ensure peak operational efficiency.
- Taking measures to optimise power and fuel consumption across operations, reducing costs and minimising environmental impact.

Road ahead

Our ongoing efforts to improve profitability through cost improvement programmes, operating cost optimisation, enhanced R&D productivity, and optimisation of working capital and debt will deliver benefits in the near and mid term.

MOTIVATED TO LEAD INNOVATION-DRIVEN PROGRESS

Our R&D strength lies in our expertise in developing generic formulations, contract development projects, and technologically complex products. These are driven by specialised teams in synthetic chemistry and analytical development. Our state-of-the-art R&D facility is equipped with advanced analytical instruments and supported by more than 60+ highly trained scientists, along with a full range of support services. This enables us to pursue innovation with scientific depth while maintaining operational efficiency.

Our capabilities span across the development of differentiated products, ranging from small molecules to complex generic APIs. This includes advanced areas such as polymer chemistry, flow chemistry, enzymatic chemistry, chiral chemistry (including induction and kinetic resolution), high-potent APIs and intermediates, photochemistry, and inorganic chemistry. Our chemistry expertise also extends to a comprehensive suite of classical reactions, including protection, deprotection, reduction, oxidation, mesylation, esterification, and azide formation, thereby enabling us to address a wide spectrum of complex research requirements.

In analytical development, we specialise in product characterisation using a wide range of orthogonal and complementary techniques, including polarography, surface area analysis, gel permeation, solid-state Nuclear Magnetic Resonance (NMR), zeta sizing, and Liquid Chromatography High-Resolution Mass Spectrometry (LCHRMS). These are complemented by advanced method development through Liquid Chromatography (LC), Liquid Chromatography–Mass Spectrometry (LCMS), Gas Chromatography (GC), Gas Chromatography–Mass Spectrometry (GCMS), NMR, particle size analysis, Powder X-ray Diffraction (pXRD), and Rietveld refinement. Leveraging leading-edge technologies and a flexible intellectual property (IP) policy for sublicensing, we consistently deliver high-quality products on time, at optimised costs, without compromising on quality.

R&D priorities

Technical expertise
We consistently deliver pharmaceutical products of exceptional quality, guided by our seasoned technical leadership, offering strategic advantages to both our partners and customers.

Product selection
We prioritise high-margin molecules with robust chemistry capabilities and employ rapid launch strategies for new molecules and market extensions. Our focus lies in strategic product selection to maximise value generation.

Regulatory filings
We ensure seamless regulatory compliance worldwide, harnessing our adept intellectual property assessment skills and global regulatory expertise.

Development
We innovate new and superior technologies across the entire cycle at minimal cost by virtue of our R&D proficiency.

Synthetic development capabilities

Infrastructure
- 7 synthesis labs
- 60 fume hoods
- 7 walk-in FH
- HPAPI lab
- Flow chemistry lab
- Process safety lab
- Process engineering lab

Technical Staff
- 60+ scientists
- Specialisation in chemistry/services
- Highly qualified
- Experienced in Contract Research Organization (CRO) services
- Excellent track record of delivery in full

Equipment
- Parallel synthesisers
- Radley reactors
- Lyophiliser
- Hydrogenation
- Photo reactors
- Flow reactors

Compliance
- Safety
- IP owned by customer
- Restricted entry access
- Restricted mobile access

R&D progress
During the year, we advanced several market extensions across strategic geographies, executed multiple validations and development reports, and responded to a significant volume of regulatory queries with precision. These achievements not only enhanced our global reach but also reinforced our focus on innovation, quality, and compliance. Moreover, we made substantial strides in assessing nitrosamines within our product portfolio.

We bolstered our nitrosamine detection and estimation protocols for both commercial and developmental products. To this end, we established a dedicated cross-functional team tasked with ensuring comprehensive prevention and control measures across all new and existing products. We deployed cutting-edge equipment to monitor nitrosamine levels in intermediates and final products. Furthermore, we implemented stringent control measures throughout the raw material sourcing and production processes to effectively manage these impurities in the finished product.

Road ahead
We intend to continue investing in our R&D to strengthen our generic API portfolio. This investment supports our strategy to increase market share through market extensions and meet evolving regulatory requirements for new products, while addressing the growing demand for our existing offerings.

Message from MD and CEO

"FY25 has been a Reset Year for Solara. Although regrettably we missed our external guidance on Revenue and EBITDA during FY25, we have improved the quality of the overall business through focus on margin expansion. Going forward, we will repivot the company to Profitable Growth with our continued focus on Market Expansion, tight cost control leading to margin expansion and debt reduction.

TRANSFORMING FOR A STRONGER TOMORROW

Dear Stakeholders,

As you are aware, FY25 was a Reset year for Solara and I am satisfied with the outcomes achieved. During this journey we regrettably missed our external guidance on Revenue and EBITDA, but I believe we have positioned Solara for a sustainable, scalable and profitable growth in subsequent years. Together, we have navigated challenges, embraced new opportunities, and strengthened our foundation for a sustainable and successful future. This year has been a testament to our collective commitment and dedication to driving meaningful change and excellence.

The global pharmaceutical industry is experiencing strong and sustainable growth driven by rising chronic diseases, a surge in sedentary lifestyles, an aging population, and increased health awareness. This growth is accompanied by a significant transformation across the value chain, fuelled by a focus on innovation, operational efficiency, and enhanced engagement with healthcare providers and patients. Despite challenges, the sector has shown notable agility and resilience, delivering breakthrough innovations and adapting rapidly to evolving demands. Supportive policies, technological progress, and a commitment to healthcare equity continue to shape a dynamic industry landscape marked by sustained momentum and forward-looking growth.

These industry dynamics are directly contributing to the growing demand for Active Pharmaceutical Ingredients (APIs). As innovation accelerates and new therapies emerge, the need for high-quality, diverse APIs increases. Furthermore, operational optimisation and supply chain resilience in the pharmaceutical sector create opportunities for API manufacturers to expand capacity and introduce advanced manufacturing technologies, driving growth in this critical segment.

Our performance in FY25

We are encouraged by the positive outcomes from the course correction measures we implemented. Our clear focus on returning to growth, improving profitability, and reducing debt has yielded substantial progress.

FY25 served as a reset year for Solara, during which we remained committed to prioritising profitable, high-margin, and high-quality business segments. For the year, we recorded revenues of ₹1,292.08 Crores. Our gross margin expanded significantly to ₹664.91 Crores, marking a 36% year-on-year increase and a 51.5% rise in gross margin percentage, up from 37.8% in FY24. EBITDA demonstrated a strong turnaround as well, reaching ₹213.84 Crores with a margin of 16.5%, compared to a negative margin of -7.1% in the previous year.

The improved margin profile is a result of focused cost improvement programmes and operating cost optimisation. Over the past year, we have consistently enhanced the quality of our earnings by prioritising a healthy product mix and strengthening our presence in regulated markets. Additionally, significant reductions in operating costs have contributed to meaningful operating expense leverage, supporting overall profitability.

While we faced intense competition in our ibuprofen product range, the rest of our portfolio performed above expectations. Our product mix remains robust, with the majority of revenues coming from regulated markets.

Regulated markets account for 76% of our total revenues in FY25, reflecting a notable increase from 66% in FY24. Our sustained focus on enhancing profitability through targeted cost reduction initiatives, streamlined operating expenses, and optimised working capital and debt management is poised to drive stronger financial performance in the coming fiscal.

During FY25, gross debt was significantly lowered through a combination of capital infusion from rights issue proceeds and operating cash flows. Net debt decreased substantially following the application of a major portion of rights issue application money towards debt reduction, resulting in a notable improvement in the Net Debt to EBITDA ratio. After factoring in uncalled rights issue proceeds earmarked for further debt repayment and planned repayments in the upcoming fiscal year, the adjusted net debt is expected to decline further, improving leverage ratios considerably.

Compliance on track

In FY25, the Mangalore facility successfully received the EU GMP certification, while the Vizag facility completed the USFDA inspection with zero 483 inspectional observations. During the year, the Ambernath, Mangalore, and Puducherry facilities were awarded WHO GMP certification. Additionally during May'25, the Ambernath facility completed a USFDA Inspection with zero 483 observations.

Carve-out of CRAMS and polymers business

Subject to shareholders and statutory approvals, we announced the carve-out of the CRAMS and Polymers business, from our Catalog API business due to the distinct value drivers for each segment. This separation will strengthen the Catalog API business by transferring a substantial portion of debt to the new entity, resulting in an improved balance sheet and higher Returns on Capital Employed (ROCE) and Return on Investment (ROI). Following the rights issue and business restructuring, the net debt of the Catalog API business is projected to be significantly lower, with an estimated Net Debt to EBITDA ratio below one by Q1 FY27.

Way forward

Looking ahead, the focus will remain on driving profitability through targeted cost improvement initiatives, network optimisation, streamlined operating expenses, efficient working capital management, and debt reduction as the organisation transitions from reset to growth.

In conclusion, sincere gratitude is extended to our shareholders, customers, employees, and partners for their unwavering support and trust in Solara. There is strong confidence that the Company will continue to foster innovation, uphold the highest standards of quality and sustainability, and realise its vision of improving global health outcomes.

Warm regards,

SANDEEP SHASHIKANTHA RAO
MD & CEO

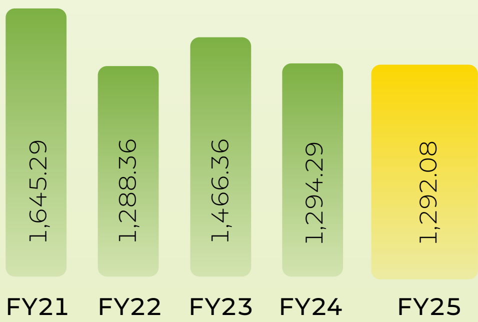
Key Performance Indicators

REPORTING TRANSFORMATIONAL PERFORMANCE

We strengthened our financial performance with improved margins, driven by a better product mix. Through disciplined cost control and operating leverage, we enhanced profitability, while debt reduction reinforced our balance sheet and growth capacity.

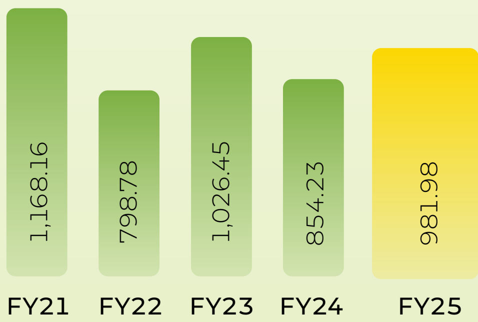
Revenue

(₹ in Crores)



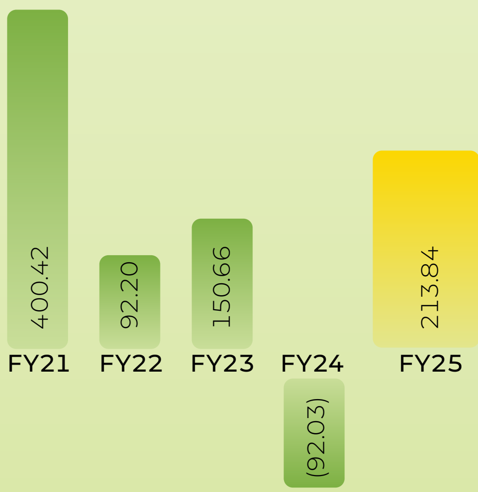
Regulated market revenue

(₹ in Crores)



EBIDTA

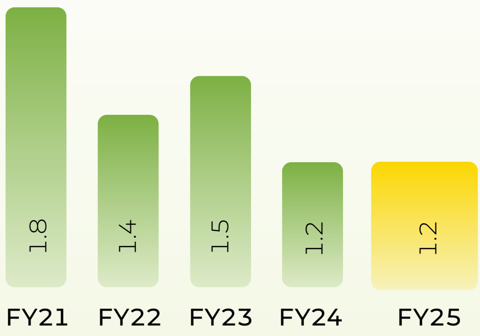
(₹ in Crores)



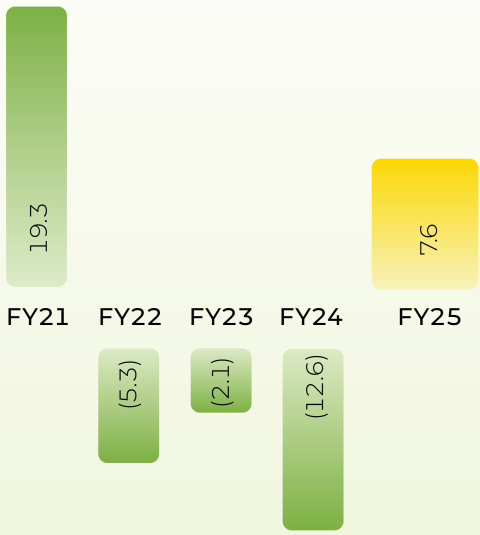
EBIDTA margin

(%)

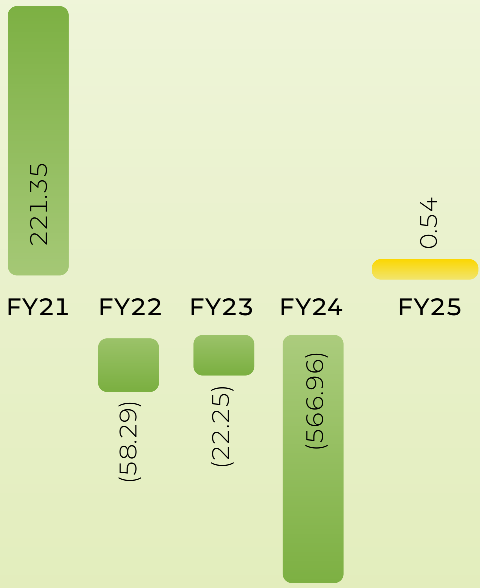
Fixed Asset Turnover Ratio
(x)



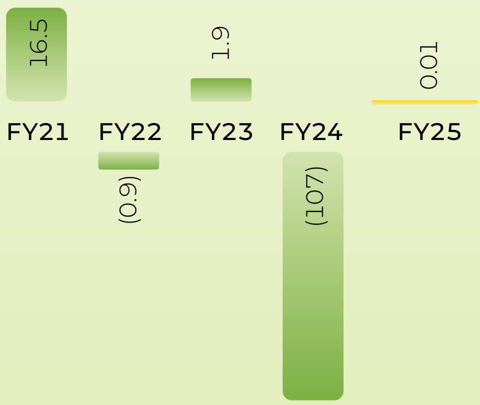
Return on Capital Employed (RoCE)
(%)



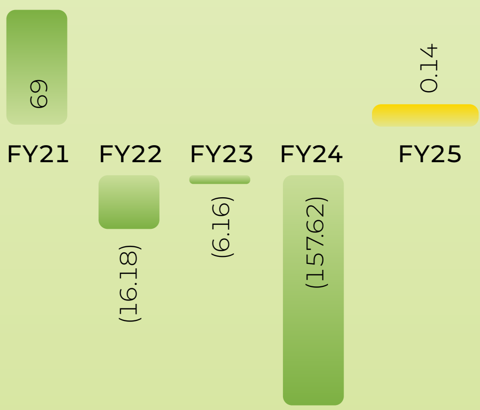
Profit after tax
(₹ in Crores)



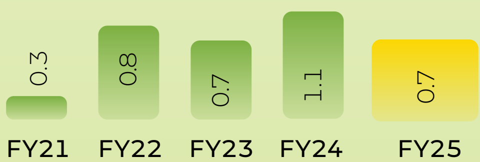
Return on Equity (RoE)
(%)



Basic EPS
(₹ per share)



Net Debt/Equity
(x)



Environment

COMMITMENT TO ENVIRONMENTAL SUSTAINABILITY

We are committed to embedding sustainability throughout our value chain. Our Company prioritises the use of renewable energy, responsible manufacturing practices, regulatory compliance, and resource conservation as key pillars of our strengthened environmental focus.

Water and wastewater initiatives

Under our water conservation program, we adopted the 3R mechanism – Reduce, Reuse, and Recycle – to promote sustainable water management across all sites. Measures included automation of domestic water systems, process optimization, and reusing steam condensate from boilers. Reuse initiatives covered boiler and air compressor condensates for utility makeup, as well as Aldehyde hydrolysis water in Ibuprofen manufacturing. Wastewater generated in operations was recycled within the same manufacturing source. These interventions collectively reduced freshwater dependency and supported sustainable consumption patterns.

Energy efficiency measures

Our energy conservation measures focused on technological upgrades and process optimization. Key steps included installation of Variable Frequency Drives (VFDs), energy-efficient pumps and motors, and load-based optimization of forced draft fans in boilers. Optimization of unit operation cycle times delivered measurable savings, reducing power consumption by over 2,500 kWh per month across all units. Detailed energy audits and demand-side management of chillers and compressors further improved efficiency. These efforts resulted in optimized RPM control, lower power usage, reduced specific energy consumption, and identification of additional opportunities for energy savings.

GHG reduction measures

To lower our carbon footprint, we undertook several greenhouse gas reduction initiatives. Our total investment on solar energy including the third party captive power is at 6437 KW. Renewable sources, including solar & wind contributes more than 50% of our total energy mix. Additionally, optimization of air conditioning and chiller operations reduced refrigerant gas usage, while the conversion of fossil fuel–based boilers to briquette-fired alternatives significantly cut direct GHG emissions from combustion. Together, these measures reduced grid dependency, improved energy resilience, and lowered overall emissions intensity.

Responsible manufacturing practices

Responsible manufacturing remained a focus area with continuous process optimization, enabling higher yields and operational efficiency. Adoption of green chemistry principles ensured replacement of hazardous chemicals with safer alternatives, thereby reducing environmental impact. Waste management practices emphasized recovery, reuse, and recycling of process waste, minimizing overall generation. Comprehensive employee training and awareness programs strengthened occupational health and safety, while hazard identification and risk assessments supported a zero lost-time injury record. Collectively, these practices reinforced our commitment to safe, efficient, and environmentally responsible operations.

Responsible supply chain management

In alignment with our sustainability vision, we extended responsibility across the value chain by ensuring 100% ESG compliance from all Tier-1 suppliers under the Third-Party Compliance Code. This commitment embeds sustainability principles into supplier practices, driving responsible sourcing and contributing to long-term stakeholder value creation.

EMPOWERING OUR PEOPLE TO GROW

We foster a supportive work environment that empowers our people to learn, perform, and grow continuously. We prioritise holistic development because we believe our teams drive our progress. Over the years, we have cultivated a respected employer brand grounded in transparency and compliance. With a diverse and talented workforce, we are building a strong talent pool that propels our evolution as a true learning organisation.

Engagement and development

We prioritised strategic initiatives to strengthen our organisational capabilities and cultivate a positive work environment. Employee engagement lies at the core of our approach, driving productivity and sustaining our competitive advantage. Our efforts focused on creating a supportive and inclusive workplace where employees feel valued, connected, and motivated to excel.

Enhanced recruitment strategies

We revamped our recruitment process to attract top talent by leveraging advanced recruitment technologies, expanding our presence on professional and social networking platforms, and empowering employee referral channels. These efforts ensure that new hires align with our Company values and objectives.

Employee feedback and communication

We established regular feedback mechanisms, including quarterly town halls with senior leaders, pulse surveys, and annual engagement surveys to gauge employee satisfaction and identify areas for improvement. This open communication channel ensures employee voices are heard and concerns addressed promptly. Based on feedback, we have introduced several employee-friendly initiatives.

Employee development and growth

We are committed to continuous employee development through a professional development program that includes on-the-job training, mentoring, and leadership development. Last year, we introduced customised training for female leaders and frontline managers via e-learning, enabling employees to upskill at their own pace.

Our new Learning Management System (LMS) offers access to a broad range of development courses, organisational policies, and processes, helping employees enhance their knowledge and track progress.

Recognition and rewards

Our recognition programs have been strengthened to honour employee dedication. These initiatives boost morale and foster a culture of appreciation.

Road ahead

Our focus on employee engagement and development has resulted in a more motivated and committed workforce. Moving forward, we remain dedicated to nurturing a supportive and dynamic work environment that promotes talent and growth. We will continue investing in employee development and well-being while refining our strategies by leveraging employee feedback and industry best practices to establish our Company as a recognised Great Place to Work.

Community

CARING FOR OUR COMMUNITIES

We recognise that our ability to thrive and sustain growth is deeply connected to the communities in which we operate. Their interests are central to our business philosophy. We are committed to ensuring that our operations create meaningful value for these communities and empower them to build a better future. We remained committed to nurturing community well-being through initiatives such as the dispensary and provision of safe drinking water in Puducherry and Cuddalore.

These efforts helped us sustain goodwill, strengthen social harmony, and proactively prevent potential disturbances or reputational risks. In FY25, we invested ₹0.65 Crores in CSR activities focused on health & hygiene and education across these regions.

Puducherry

Our initiatives support UN SDGs

Dispensary and health

During FY25, the Puducherry dispensary served as a vital healthcare centre for nearby villages, providing OPD services to 6,645 patients. In March 2025, a general medical camp was organised with the support of SLIMS Hospital, offering consultations, medicines, diagnostic tests, and counselling. A total of 85 patients were screened, with those requiring advanced treatment referred to SLIMS Hospital, ensuring continuity of care.

Drinking water facility

Six RO water plants operated seamlessly across Puducherry, delivering safe drinking water to six villages. This initiative provided clean water access to over 4,200 families, significantly enhancing health and hygiene standards in the community.

Cuddalore

Our initiatives support UN SDGs

Dispensary and health

During FY25, 5,980 patients from various nearby villages availed the OPD facility at the Cuddalore dispensary. A General Medical Camp was organised in March 2025 in collaboration with Aarupadai Veedu Medical College & Hospital, Puducherry. The camp primarily focused on elderly people, women, and children from surrounding villages including Kudikadu, Karaikadu, Sangilikuppam, Pachayankuppam, and Alapakkam. It covered General Medicine, Pulmonology, Gynaecology, Paediatrics, Orthopaedics, Non-Communicable Disease (NCD) Screening, Cancer Screening, and Dental services. A total of 132 villagers benefited, of which 51 were women.

Drinking water facility

Safe drinking water was provided to two villages in Kudikadu, Cuddalore. Through this initiative, more than 600 KL of water was supplied every month, benefiting over 800 families.

Education

Support for education continued with financial assistance extended to an MBBS student for the third consecutive year. A grant of ₹50,000 was provided in FY25, and the support will continue for one more year until the student completes her graduation.

STRENGTHENING GOVERNANCE FOR BETTER OUTCOME

Our robust governance framework emphasises ethical practices, transparency, and accountability. We actively engage with our stakeholders, incorporating their insights and expectations to continuously improve our governance and operational strategies. This approach enables us to effectively navigate complex regulatory environments while building trust and reliability among our customers, partners, and the communities we serve.

We uphold global best practices and continuously strive to enhance our corporate governance standards. Our commitment exemplifies unflinching integrity and responsible stewardship.

Role of the Board

We are led by a diverse team of professionals with extensive expertise and experience across various industries. Their collective knowledge offers invaluable guidance and strategic direction, shaping our overall approach. Through a robust governance structure, we assign specific roles and responsibilities to each member of our leadership team. This framework enables the effective implementation of our business strategy, fostering innovation, development, and exploration.

Furthermore, it ensures accountability and supports resilient control systems to effectively mitigate risks.

Our Board of Directors serves as the highest governing body, entrusted with upholding global standards of corporate governance. As the central authority, the Board oversees and directs all business operations, requiring approval for any deviations or changes from standard practices. By upholding stakeholder interests and steering Solara towards long-term objectives, the Board plays a pivotal role in our Company's success.

Board committees

Our Board has established statutory committees to address critical issues, with each committee formally approved by the Board and assigned distinct responsibilities. These committees monitor specific areas to ensure efficient oversight. Regular reports, updates, and feedback are provided to the Board, fostering open communication and encouraging suggestions.

The key committees include

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

Code of conduct

Our firm commitment to the highest standards of corporate ethics and stakeholder engagement is embedded in our Code of Conduct. This code outlines the core values and ethical principles to be followed by all members of our management team.

In alignment with Listing Regulations and best governance practices, the Board has adopted a Code of Conduct applicable to all Board members and senior management, accessible on our website.

Vigil mechanism

We maintain a Vigil Mechanism/ Whistleblower Policy applicable to Directors, employees, and third parties. This policy empowers individuals to report genuine concerns or grievances related to actual or suspected fraud, unethical behaviour, or violation of our Code of Conduct or Ethics Policy. It also covers any events that may negatively impact Solara's interests. By fostering a culture of transparency and accountability, we ensure all concerns are addressed swiftly and appropriately.

BOARD OF DIRECTORS

Mr. R Ramakrishnan
Independent Director and Chairperson

Dr. Kausalya Santhanam
Independent Director

Prof. Rajendra Kumar Srivastava
Independent Director

Mr. Rajiv Vijay Nabar
Independent Director

Mr. Arun Kumar Pillai
Non-Executive Director

Mr. Manish Gupta
Non-Executive Director

Mr. Kartheek Chintalapati Raju
Non-Executive Director

Mr. Sandeep Shashikantha Rao
Managing Director & CEO

Mr. Mohan Muthunarayanan
Whole Time Director & COO

LEADERSHIP TEAM

Sandeep Shashikantha Rao
Managing Director & CEO

Mohan Muthunarayanan
Whole Time Director & COO

Sarat Kumar
Chief Financial Officer

Sundara Moorthy V
Chief Quality Officer

Vishal Mathur
Chief Commercial Officer

Dr. Hero Velladurai
Chief Scientific Officer

STATUTORY REPORTS & FINANCIAL STATEMENTS

Management Discussion and Analysis

ECONOMIC OVERVIEW

In 2024, the global economy grew at a moderate rate of 3.3%, reflecting a phase of relative stability, albeit growth was restrained. As we progress through 2025, the global environment is seeing a substantial transformation, prompted by nations realigning their policy priorities in reaction to escalating geopolitical tensions and increasing economic difficulties.

The United States has implemented a series of additional tariff measures, eliciting immediate and vigorous responses from significant trading partners. This resulted in the establishment of nearly universal tariffs on April 2. Consequently, effective tariff rates have escalated to unprecedented heights, inflicting a severe and detrimental impact on global GDP.

The issue has been exacerbated by the rapid and erratic nature of these policy shifts, which have markedly intensified economic uncertainty and rendered the short-term outlook highly unstable. This escalating instability has compromised the trustworthiness of conventional forecasting methods, rendering it challenging to build estimates on previously trustworthy assumptions.

Considering this uncertainty, worldwide headline inflation is projected to decrease at a slower rate than previously planned. The projection indicates a decline to 4.3% in 2025 and thereafter to 3.6% in 2026. The revision indicates increased inflation projections for advanced economies, somewhat counterbalanced by slight downward revisions in emerging markets and developing nations.

GDP GROWTH TREND

(in %)

Regions	2024	2025	2026
Global Economy	3.3	2.8	3.0
Advanced Economies	1.8	1.4	1.5
Emerging Markets and Developing Economies	4.3	3.7	3.9

(Source: World Economic Outlook, April 2025)

OUTLOOK

Despite the ongoing challenges facing the global economy, this moment offers a unique opportunity to build resilience and steer toward a more sustainable future. Several economies under strain have shown remarkable adaptability, underscoring that recovery is attainable through proactive reforms and coordinated policy efforts.

A fairer and more balanced global recovery can be achieved if nations work together to foster transparent trade practices, enable timely debt resolution, and address underlying structural imbalances. Safeguarding long-term growth and restoring financial stability will depend on maintaining clear monetary policy guidance, applying macroprudential tools judiciously, and executing credible fiscal strategies.

Looking ahead, international collaboration will be essential. Through aligned strategies, strong leadership, and a shared commitment to progress, the global economy can regain momentum, rebuild buffers, and unlock new opportunities for inclusive and sustained growth.

INDIAN ECONOMY

India has firmly established itself as a beacon of resilience and stability, navigating persistent global headwinds with consistent GDP growth, easing inflation, and robust domestic demand. The economy grew by 6.5% in FY 2024–25, driven by strong performance in construction, trade, and financial services, supported by sustained consumption and strategic government expenditure.

Consumer price inflation (CPI) eased to a seven-month low of 3.6% in February 2025, primarily due to falling food prices. However, core inflation edged up to 4.1%, signalling persistent underlying pressures. This mixed inflationary trend calls for a calibrated monetary policy response by the Reserve Bank of India to balance growth and inflation expectations.

On the fiscal side, the government has continued its consolidation efforts, targeting a fiscal deficit of 4.9% of GDP for FY 2024–25, down from 5.6% in the previous year. The Union Budget for FY 2025–26 earmarked ₹11.21 lakh crore around 3.1% of GDP for capital expenditure, reinforcing the government's commitment to infrastructure-led growth, job creation, and sectoral development.

The external sector is also witnessing a gradual rebound. Merchandise exports are expected to rise, buoyed by strong global demand in engineering goods, pharmaceuticals, and electronics. Meanwhile, lower crude oil prices and expanding domestic manufacturing, particularly under the Production-Linked Incentive (PLI) schemes, are likely to moderate imports, helping narrow the trade deficit. Strategic policy initiatives, including new trade agreements and targeted export promotion, are further strengthening India's global position.

Looking ahead, India's economic outlook for FY 2024–25 remains robust, underpinned by resilient domestic consumption, higher public investment, and reform-driven governance. Dynamic sectoral contributions from services, manufacturing, and construction continue to reinforce the economic foundation. While global uncertainties, trade disruptions, and geopolitical risks remain key challenges, India's structural transformation fuelled by digital adoption, a thriving startup ecosystem, and manufacturing push through PLI schemes provides a strong buffer. Disciplined fiscal and monetary strategies, rising productivity, and innovation-led growth are enhancing India's competitiveness. While risks such as capital flow volatility and persistent core inflation warrant ongoing vigilance, India remains well-positioned to sustain its momentum and retain its status as the world's fastest-growing major economy.

GLOBAL PHARMACEUTICAL INDUSTRY

The global pharmaceutical sector continues to chart a steady growth trajectory, fueled by relentless innovation, expanded healthcare access, and rising demand for specialty therapies. In developed markets, growth is being driven by the adoption of advanced, high-value treatments, while emerging economies are witnessing increasing momentum through higher volumes and greater expenditure on complex therapies, aided by broader healthcare coverage.

According to IQVIA, the global pharmaceutical market is projected to grow at a compound annual growth rate of 6% to 9%, reaching a value between US$2.23 trillion and US$2.25 trillion by 2028. This expansion is underpinned by a rising burden of chronic and lifestyle-related diseases, growing awareness around preventive and long-term care, and the healthcare needs of an ageing population.

Across the value chain, the industry is undergoing profound transformation. Companies are investing in breakthrough innovations, expanding healthcare access, leveraging emerging technologies, and optimising operational efficiencies. Collaboration across the healthcare ecosystem is also intensifying, supported by proactive government policies aimed at fostering resilience and innovation. The industry's ability to navigate uncertainty was powerfully demonstrated during the pandemic, highlighting its agility, creativity, and global coordination in the face of unprecedented challenges.

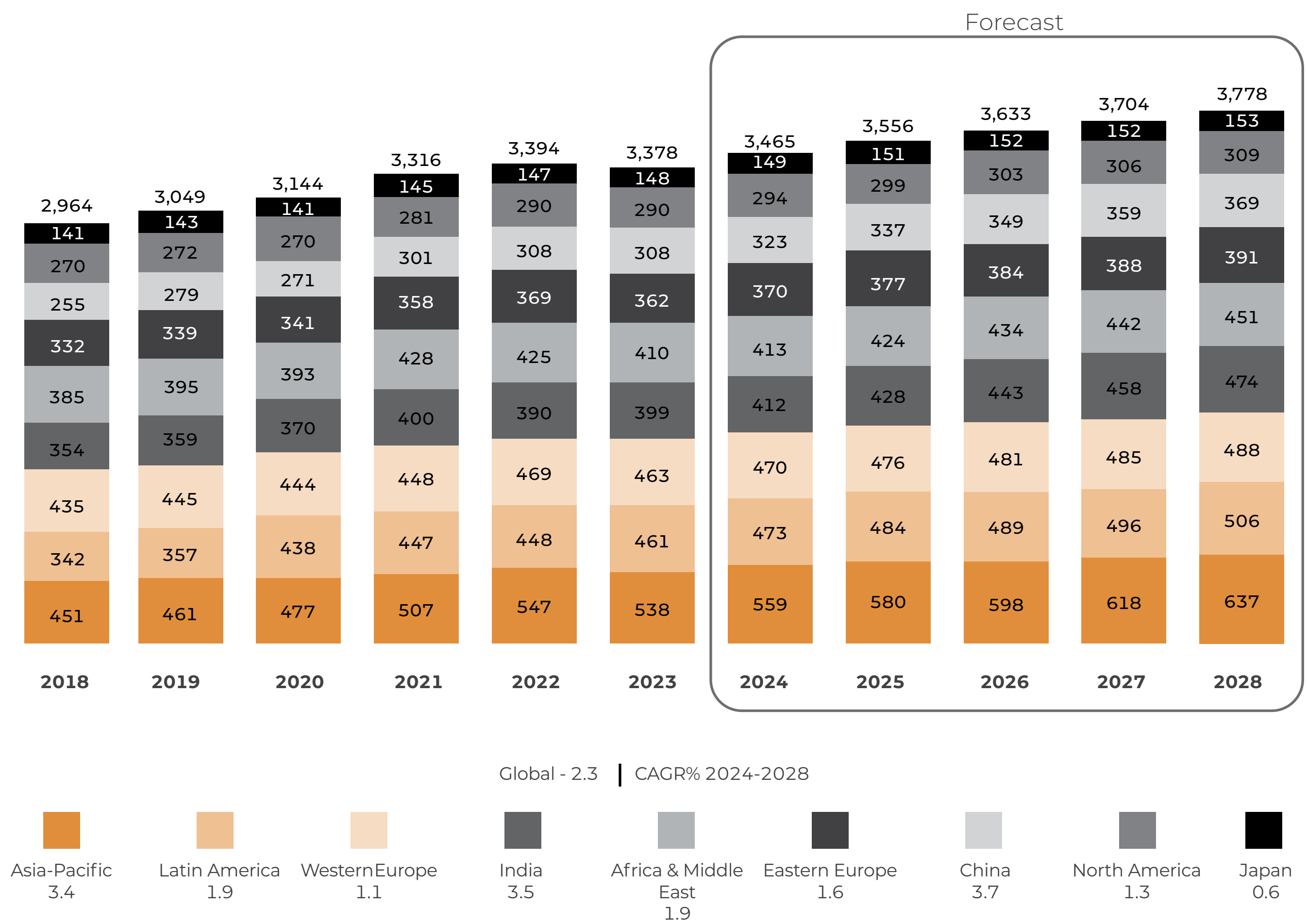
GLOBAL PHARMACEUTICAL MARKET GROWTH

(US$ billion)

Region	2028	2024-2028 CAGR
Developed	1,775-1,805	5-8%
Pharmerging	400-430	10-13%
Lower income countries	33-37	3-6%
Global	2,225-2,255	6-9%

Source: IQVIA Market Prognosis, September 2023; IQVIA Institute, December 2023

Historical and projected use of medicines by region, 2018-2028 (Defined Daily Doses (DDD) in billions)



Source: IQVIA Market Prognosis, September 2023; IQVIA Institute, December 2023

API INDUSTRY

The Active Pharmaceutical Ingredient (API) market forms the foundation of the pharmaceutical industry, providing the critical components that deliver therapeutic effects in medicines. Sourced either from natural materials or through chemical synthesis, APIs are essential to drug development and manufacturing worldwide. As the pharmaceutical sector advances with new therapies and innovative delivery technologies, the demand for complex and high-quality APIs is set to rise significantly.

The global API market is projected to reach $359.12 billion by 2032, growing at a strong compound annual growth rate (CAGR) of 6.9%. This sustained momentum highlights the pivotal role of APIs in advancing pharmaceutical innovation and addressing the rising global demand for complex therapies. IQVIA, through its MIDAS database, provides comprehensive tracking and analysis of the global molecule market, forming the foundation for API market insights.

Over the past two decades, the pharmaceutical supply chain has evolved significantly, with companies increasingly outsourcing manufacturing activities to leverage cost efficiencies and operational flexibility. Major pharmaceutical players, emerging biopharma firms, and virtual pharma companies are relying heavily on contract manufacturers, particularly in India and China, where API production costs are 30–40% lower than in the United States. Favorable factors such as cost-effective labor, robust testing infrastructure, ample research capabilities, and supportive regulatory frameworks have further strengthened the appeal of these markets, enabling companies to scale up production, enhance productivity, and improve efficiency.

At the same time, the industry continues to grapple with supply disruptions and drug shortages, often triggered when demand exceeds supply for specific products. Factors such as limited financial incentives to produce less profitable drugs can exacerbate these imbalances, leading to extended shortages if disruptions persist. While many shortages eventually resolve through production adjustments or shifts in demand, they highlight the fragility of pharmaceutical supply chains and the critical need for proactive management to ensure consistent availability of essential drugs.

Drivers of API market expansion

The global Active Pharmaceutical Ingredient (API) market is being propelled by a diverse set of structural and cyclical factors. Key drivers include expanding manufacturing capacities, increasing demand for generics and complex therapies, technological advancements in production processes, and demographic shifts such as a rapidly aging global population. The rising burden of chronic diseases further accelerates the momentum of API market growth.

Scaling production capacities

Continuous investments in expanding pharmaceutical and biopharmaceutical manufacturing capabilities are enabling companies to meet rising global demand, introduce new therapeutic products, and adopt advanced production technologies. This expansion strengthens the long-term sustainability and innovation potential of the API market.

Technological ADVANCEMENTS

Rapid progress in drug discovery, development, and clinical research is reshaping the pharmaceutical landscape. Innovations in API manufacturing technologies have enhanced production efficiency, improved quality standards, and enabled the development of next-generation therapies, positioning APIs as vital components of novel treatments.

Rising demand for generics and specialty therapies

The growing global burden of chronic diseases such as cardiovascular conditions, diabetes, and cancer has amplified the demand for affordable treatment options. Generic medicines, offering therapeutic equivalence at lower costs, are witnessing rising adoption, directly driving higher API requirements across therapeutic categories.

Impact of an aging global population

The steadily expanding geriatric population is a significant contributor to the increased consumption of pharmaceuticals. With age-related illnesses on the rise, the demand for chronic care medications continues to surge, fueling long-term growth in the API market.

Lessons from global health crises

The COVID-19 pandemic underscored the strategic importance of a resilient pharmaceutical supply chain. The intensified focus on vaccine development, rapid drug discovery, and biopharmaceutical innovation during the crisis significantly boosted API demand, a momentum that continues to influence market dynamics positively.

Outlook

The global Active Pharmaceutical Ingredients (API) market is poised for steady growth, fueled by rising demand for generic and innovative therapies, alongside advancements in biotechnology and personalized medicine. Increasing focus on affordable healthcare, expansion of biopharmaceutical research, and the evolving treatment landscape are expected to sustain strong momentum in the API sector over the coming years. With supportive regulatory frameworks and greater outsourcing of manufacturing activities, the market outlook remains positive, offering significant opportunities for growth and innovation.

Source: IQVIA: API Market Overview,

INDIAN PHARMA INDUSTRY

India's pharmaceutical industry is entering a significant growth phase, with the domestic market currently valued at approximately USD 55 billion in 2024. Over the next six years, the market is projected to expand 2.2 to 2.4 times, reaching between USD 120 billion to USD 130 billion by 2030. Looking further ahead, the industry aspires to approach a market size of nearly USD 450 billion by 2047, positioning itself as a global powerhouse not only in manufacturing volumes but also in innovation and value creation.

This expansion will be driven by rising domestic healthcare needs, increased access to medicines, broader health insurance penetration, and India's growing role as a trusted supplier of affordable, high-quality generics and vaccines worldwide. The country already holds a leadership position, supplying nearly 20% of the world's generic medicines, supported by a manufacturing base of over 10,000 facilities, including the largest number of USFDA-compliant plants outside the United States. With strong production capabilities and deep expertise, India is well-positioned to significantly increase its share of the global pharmaceutical market in the coming years.

However, while India leads in terms of volume, there remains a gap in export value compared to more developed markets. To address this, the sector is pivoting towards value-added growth, emphasizing higher investments in R&D, expansion into complex generics, biosimilars, innovative therapies, and greater adoption of advanced manufacturing technologies.

Government initiatives such as the Production Linked Incentive (PLI) schemes, efforts toward API self-reliance, and policies promoting innovation clusters are set to further accelerate this shift. By building on its strategic advantages in cost-efficient healthcare, strengthening its innovation ecosystem, and capturing opportunities in emerging therapies, India is well on its way to reshaping its global pharmaceutical leadership over the next two decades.

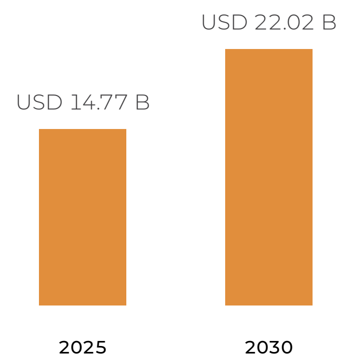
Outlook

India's pharmaceutical industry is set for sustained growth, underpinned by rising healthcare needs, a strong manufacturing base, and supportive government policies. Increased prevalence of lifestyle diseases, an aging population, and the demand for affordable healthcare are driving domestic and global opportunities. India's leadership in generics, backed by USFDA-compliant facilities and initiatives like the Production Linked Incentive (PLI) scheme, is further strengthening its position. As companies invest in R&D and adopt advanced technologies, India is moving up the value chain, enhancing its global competitiveness and shaping the future of healthcare delivery.

INDIAN API INDUSTRY

India's Active Pharmaceutical Ingredients (API) market is poised for significant growth, with projections estimating it to reach USD 14.77 billion by 2025 and expand at a CAGR of 8.31% to USD 22.02 billion by 2030. This growth is driven by several factors, including the rising prevalence of chronic diseases such as cardiovascular ailments, cancer, and diabetes, which necessitate a steady supply of effective medications. Additionally, government initiatives like the Production Linked Incentive (PLI) scheme are boosting domestic API manufacturing, reducing dependency on imports, and enhancing the sector's self-reliance.

India's API Market: Growth Outlook 2025–2030



Source: Mordor Intelligence

India's strong manufacturing infrastructure, comprising over 10,000 facilities and numerous USFDA-compliant plants, underpins its leadership in global generic medicine production. The market features a mix of captive and merchant manufacturers, with a significant presence across both synthetic and biotech APIs. Furthermore, increased investments in research and development, coupled with the adoption of advanced technologies, are enabling Indian pharmaceutical companies to move up the value chain and strengthen their global competitiveness. In summary, India's API market is set for sustained expansion, supported by government policies, manufacturing strength, and growing global demand for high-quality APIs. The strategic focus on self-reliance, innovation, and technology adoption is expected to further consolidate India's position as a global hub for API production.

Source: Mordor Intelligence

KEY DRIVERS

Rising global demand for generic drugs: India is a leading exporter of affordable generic medicines. The expiration of patents for several blockbuster drugs in regulated markets like the U.S. and Europe has further accelerated the demand for APIs produced in India.

Government initiatives and policy support: The Indian government has implemented several initiatives to bolster domestic API production. Notably, the Production Linked Incentive (PLI) scheme aims to reduce dependency on imports and enhance self-reliance in API manufacturing. Additionally, the establishment of pharmaceutical parks and financial incentives are encouraging investments in the sector.

Increasing prevalence of chronic diseases: The growing incidence of chronic diseases such as cardiovascular ailments, cancer, and diabetes has led to a sustained demand for effective medications. This trend necessitates a steady supply of APIs, thereby driving market growth.

Technological advancements and R&D focus: Indian pharmaceutical companies are increasingly investing in research and development, focusing on complex generics and innovative therapies. The integration of advanced technologies in manufacturing processes is enhancing efficiency and product quality.

Shift in global supply chains: The global pharmaceutical industry is witnessing a strategic shift to diversify supply chains, reducing over-reliance on a single country. India is emerging as a preferred alternative for API sourcing, owing to its cost-effective production capabilities and regulatory compliance.

Outlook

The Indian API market is set for steady expansion and transformation over the forecast period. While growth is being propelled by strong government support and industry partnerships, challenges such as stringent regulatory frameworks and intense global competition remain. Nevertheless, with a strategic emphasis on innovation, sustainability, and strengthening global competitiveness, India's API industry is well-positioned to play a pivotal role in the global pharmaceutical supply chain and contribute meaningfully to advancements in healthcare worldwide.

BUSINESS REVIEW

With over three decades of expertise in pure-play API manufacturing, Solara Active Pharma is committed to improving patients' lives through technology, science, and innovation. Guided by a dynamic and entrepreneurial spirit, we develop value-driven products that are tailored to the evolving needs of our customers.

Powered by a state-of-the-art R&D center and a dedicated team of scientists, we uphold transparency, integrity, and excellence in all our collaborations. Our global footprint spans key markets across North America, Europe, Japan, South Korea, the Middle East, and North Africa. Backed by six world-class API manufacturing facilities, Solara Active Pharma consistently delivers high-quality solutions to meet the diverse and growing needs of healthcare markets worldwide.

6
API manufacturing facilities, serving more than 70 countries

1
State-of-the-art R&D centre, staffed with more than 60 scientists

60
Commercial APIs in existing portfolio

10
Additional APIs under development pipeline

During FY25, we announced that our Board Committee has approved the incorporation of a wholly owned subsidiary. This strategic move is part of the company's plan to demerge its Contract Research and Manufacturing Services (CRAMS) and Polymers businesses into an independent listed entity, aiming to streamline operations and enhance focus on its core competencies. The proposed subsidiary will operate within the pharmaceuticals sector, specifically focusing on Active Pharmaceutical Ingredients (APIs). Solara will hold 100% ownership of this new entity. The incorporation is subject to approvals from the Ministry of Corporate Affairs and other relevant statutory authorities. This development aligns with Solara's commitment to innovation and growth in the pharmaceutical industry, reinforcing its position as a key player in the global API market.

FINANCIAL PERFORMANCE

KPI	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	YoY Change
Total Income (₹ Cr)	1,645.29	1,288.36	1,466.36	1,294.29	1,292.08	-0.2%
EBITDA (₹ Cr)	400.42	92.20	150.66	(92.03)	213.84	100+%
EBITDA Margin (%)	24.3	7.2	10.3	(7.1)	16.5	100+%
Profit after tax (₹ Cr)	221.35	(58.29)	(22.25)	(566.96)	0.54	100+%
Basic EPS (₹)	69	(16.18)	(6.16)	(157.62)	0.14	100+%

FINANCIAL RATIOS

KPI	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Return on capital employed (ROCE)	19.3	(5.3)	(2.1)	(12.6)	7.6
Return on equity (ROE)	16.5	(0.9)	1.9	(107)	0.01
Net Debt/Equity (x)	0.3	0.8	0.7	1.1	0.7
Fixed Asset Turnover (x)	1.8	1.4	1.5	1.2	1.2

PEOPLE & CULTURE

Our workforce stands as the foundation of Solara's success, bringing together individuals from diverse backgrounds, each contributing unique expertise and perspectives. We believe the strength of our people drives our ability to innovate, grow, and deliver sustained value. Their collective skills, passion, and commitment enable us to translate opportunities into tangible outcomes for our stakeholders.

At the forefront of this journey is the Solara Leadership Council (SLC), alongside our highly accomplished senior management team. Together, they provide strategic direction, operational leadership, and a forward-looking vision that anchors our growth agenda. Their deep industry knowledge, entrepreneurial mindset, and unwavering commitment to excellence continue to be instrumental in shaping Solara's future.

We are equally committed to nurturing a culture of continuous learning and development. By investing in our people's growth and equipping them to stay ahead of industry trends and market shifts, we empower them to realize their full potential. Through this approach, we aim to sustain our legacy of delivering innovative solutions and creating enduring value for our customers, partners, and communities.

ENTERPRISE RISK MANAGEMENT

Effective risk mitigation is critical to sustaining our business success and long-term viability. We have established a comprehensive framework to identify, assess, and create awareness of risks across all levels of the organization. Our risk management structure is anchored by a dedicated committee that monitors strategic, operational, and financial risks. In this report, we have outlined the key risks we face along with the strategies in place to address them. Our goal is to foster a risk-aware culture where proactive risk considerations are embedded into business decision-making, ultimately supporting value creation for the company.

Principal Risk	What it Means	How We Mitigate It
External Environment Risk	Fluctuations in India's macroeconomic indicators, global market conditions, and geopolitical events can impact business operations.	Continuous investments to enhance supply chain resilience; diversification across products and geographies to reduce dependence on any single market.
Operational Risk	Manufacturing or quality control issues may damage our reputation and financial performance.	Regular inspections for compliance with quality and environmental standards; updated audit methods; systematic assessments to optimize facility utilization.
Research and Development Risk	Delays in developing and commercializing new APIs can affect future growth.	Focused R&D for new product development and portfolio expansion; robust product selection to avoid over-reliance on a single approach.
Suppliers Risk	Volatility in raw material prices and operational costs may impact profitability and margins.	Long-term contracts with approved vendors; in-house manufacturing of critical intermediates; implementation of cost-control programs for key APIs.
Competition Risk	Intense competition in the pharmaceutical sector could affect business performance and market share.	Global operational benchmarking; cost optimization initiatives; expanded API distribution network; portfolio reorganization to drive efficiency.

Principal Risk	What it Means	How We Mitigate It
Safety Risk	Unforeseen incidents can harm reputation and operational results.	Regular facility inspections; implementation of risk-based process safety systems; Risk Buckets program for preventive actions; continuous monitoring and CAPA implementation.
Patent Compliance Risk	Non-compliance with patent requirements could damage client relationships and lead to contract cancellations.	Rigorous patent compliance during custom synthesis activities to maintain client trust and safeguard reputation.
Concentration Risk	Heavy dependence on top 10 molecules, especially ibuprofen and its line extensions.	Diversification of product pipeline; addition of new DMFs; expansion into new markets to reduce reliance on specific products and customers.
USFDA Regulatory Compliance Risk	Non-compliance during inspections can lead to Warning Letters or Import Alerts, delaying sales and commercialization.	Strict adherence to global cGMP standards; proactive audit readiness; rapid remediation of observations to maintain regulatory compliance.
API Market Pricing Risk	Price competition from Chinese suppliers may impact margins.	Operational efficiency improvements; product differentiation strategies; focus on building long-term customer relationships.
Currency Volatility Risk	Fluctuations in foreign exchange rates could impact export revenues and margins.	Active hedging strategies to manage forex risks and protect profitability.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Solara places a strong emphasis on internal controls to ensure the integrity and reliability of its financial statements. Our Internal Auditors and Senior Management teams continually evaluate the effectiveness of internal controls, supported by investments in advanced infrastructure that strengthen oversight across business processes and practices. We maintain a robust in-house audit program that regularly reviews operations across the organization. In addition, the Audit Committee periodically reviews internal audit observations to ensure that our internal control systems provide reasonable assurance over the accuracy, transparency, and compliance of our operations.

CAUTIONARY STATEMENT

This report contains forward-looking statements, which are made in accordance with applicable legal requirements. These statements are based on certain assumptions and expectations of future events. However, actual results, performance, or achievements may differ materially from those expressed or implied, due to a range of risks, uncertainties, and other factors that could influence future outcomes.

Board's Report

Dear Members,

On behalf of the Board of Directors of the Company, it gives us immense pleasure in presenting the Eighth Board's Report, along with the Audited Financial Statements (Standalone and Consolidated) for the financial year ending March 31, 2025.

1. FINANCIAL PERFORMANCE

The Company has prepared the Standalone and Consolidated Financial Statements for the financial year ended March 31, 2025, in accordance with the Indian Accounting Standards (Ind AS) as prescribed under the Companies Act, 2013.

Key highlights of financial performance of the Company for the financial year ended March 31, 2025, as compared to previous year is provided below:

₹ in Crores except EPS

	Standalone		Consolidated	
Financial Results	2024-25	2023-24	2024-25	2023-24
Gross Revenue	1292.90	1294.29	1292.08	1294.29
Profit before Interest, Depreciation and Tax	212.22	(91.91)	213.84	(92.03)
Profit before tax	(1.08)	(488.33)	0.54	(488.42)
Profit after tax	(1.08)	(566.87)	0.54	(566.96)
EPS (basic & diluted) on the basis of ₹ 10/- per share	(0.27)	(148.30)	0.14	(148.51)

BUSINESS OVERVIEW

We are a global, pure-play Active Pharmaceutical Ingredients (API) Company, engaged in the development and manufacturing of APIs, while also offering Contract Development and Manufacturing (CDMO) services to global pharmaceutical Companies. Our operations are supported by six large-scale, multi-product, state-of-the-art facilities that adhere to the highest standards of compliance, backed by a team of over 1,700 employees.

With a presence in more than 70 countries, we have established strong footprints in key markets including North America, Europe, Japan, South Korea, and the Middle East & North Africa. During the year, the Company introduced several initiatives focused on cost optimization, enhanced capacity utilization, operating efficiencies, inventory rationalization, and talent development.

The Company remains optimistic about accelerating its strategic levers and is confident of delivering sustainable, long-term value to all its stakeholders.

2. DIVIDEND

The Board of Directors of the Company has not recommended Dividend for the financial year 2024-25.

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company has adopted a Dividend Distribution Policy.

The said Policy is available on the Company's website and can be accessed at investors page of our Company's website https://solara.co.in/uploads/2023/07/Dividend_Distribution_Policy.pdf

3. TRANSFER TO RESERVES

During the year under review, your Company has not made any transfers to the reserves.

4. SHARE CAPITAL

- **Authorized Capital**

The Authorized Share Capital of the Company as on March 31, 2025, stood at ₹ 120,00,00,000/- divided into 12,00,00,000 equity shares of ₹10/- each. There was no change on Authorized Capital of the Company during the year.

- **Issued and Subscribed Capital**

The Issued and Subscribed capital as of March 31, 2025, stood at ₹ 48,05,30,220/- divided into 4,80,53,022 equity shares of ₹10/- each. Changes in the Issued and Subscribed Capital of the Company are as under:

Particulars	No of Shares	Amount (₹)
April 01 2024	3,59,96,267 equity shares of ₹10/- each.	35,99,62,670
Additions during the year	9,000 Equity shares of ₹ 10/- each allotted pursuant to ESOP Scheme 2018 on May 29, 2024.	90,000
	1,19,98,755 Equity shares of face value ₹ 10/- each allotted pursuant rights Issue on June 19, 2024.	11,99,87,550
	49,000 Equity shares of ₹ 10/- each allotted pursuant to ESOP Scheme 2018 on October 21, 2024.	4,90,000
March 31 2025	4,80,53,022 equity shares of ₹10/- each.	48,05,30,220

- **Paid up capital**

The Paid-up capital as at March 31, 2025, stood at ₹ 40,25,38,312.50/- divided into 3,60,54,267 equity shares of ₹10/- each, and 1,19,98,755 Equity shares of face value ₹ 10/- each and ₹ 3.5/- per share paid up. Changes in the paid-up capital of the Company are as under:

Particulars	No of Shares	Amount (₹)
April 01, 2024	3,59,96,267 equity shares of ₹10/- each.	35,99,62,670
Additions during the year	9,000 Equity shares of ₹ 10/- each allotted pursuant to ESOP Scheme 2018 on May 29, 2024.	90,000
	1,19,98,755 Equity shares of face value ₹ 10/- each, on which ₹ 3.5/- per share has been paid up, on rights Issue basis allotted on June 19, 2024.	4,19,95,642.50
	49,000 Equity shares of ₹ 10/- each alloted on October 21, 2024 pursuant to ESOP Scheme 2018	4,90,000
March 31, 2025	3,60,54,267 equity shares of ₹10/- each, and 1,19,98,755 Equity shares of face value ₹10/- each and ₹3.5/- per share paid up	40,25,38,312.50

5. FUND RAISING

On May 9, 2024, the Rights Issue Committee at its meeting approved the issuance of 1,19,98,755 Equity Shares of face value of ₹10 each at a price of ₹ 375 per Equity Share (including a premium of ₹ 365 per Equity Share), to existing equity shareholders on the record date (May 15, 2024) on 'rights' basis for an amount aggregating to ₹ 449.95 Crores. The issue was on a partly paid-up basis with 3 calls, i.e., application money, first call and second call. The issue opened for subscription on May 28, 2024 and closed on June 11, 2024. On June 19, 2024, Company allotted 1,19,98,755 partly paid - up Equity Shares on receipt of Application money of ₹131.25/- per equity share, which was aggregating to ₹ 157.48 Crores.

Further, the Rights Issue Committee at its meeting held on March 26, 2025 approved the First Call Money Notice to the holders of Partly Paid-Up Equity Shares for ₹ 131.25/- (i. e ₹ 3.50/- towards face value and ₹ 127.75/- towards securities premium) per Rights Share in respect of 1,19,98,755 partly-paid Rights Shares, on Rights basis, pursuant to the Letter of Offer dated May 09, 2024; The eligible shareholders were provided with the facility to make the call money through ASBA process wherein the issue were kept live during the tendering period of 15 days (i.e.) from April 16, 2025 till April 30, 2025 in both the Stock Exchanges to enable the shareholders to make the First call money.

No. of shares on which the First Call money was received, and outstanding are mentioned below:

Sl. No.	Particulars	No. of Shares
1	Total partly paid shares	1,19,98,755
2	Number of shares first call money received	1,13,89,852
3	Number of shares reminder notice to be sent	6,08,903

6. EMPLOYEES STOCK OPTION PLAN (ESOP):

The Company has two ESOP Schemes, as detailed below:

Name of the ESOP Scheme	Particulars
Solara Employees Stock Option Plan 2018	During the year under review, Nomination and Remuneration Committee of the Board (NRC) has granted 1,10,200 options convertible into equal number of equity shares of face value of ₹ 10/- each.
Solara Employee Stock Option Plan - 2024	During the year under review, a new ESOP policy "**Solara Employee Stock Option Plan – 2024"** was formulated. During the year under review, Nomination and Remuneration Committee of the Board (NRC) has granted 3,50,000 options convertible into equal number of equity shares of face value of ₹ 10/- each.

A Statement giving detailed information on stock options granted to employees as required under the Companies Act and SEBI Regulations is enclosed as **Annexure 1** to this Report. The details under Regulation 14 of Securities and Exchange Board Of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 is available on the Company's website and can be accessed from the weblink: https://solara.co.in/investor-relations/financial-information/

7. MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments occurred, affecting the financial position of the Company, between the end of the financial year and the date of this report. However, as stated in point 5 above, the Company has made first call on Right shares and is under the process of allotment.

8. SUBSIDIARIES

The details of Subsidiary Companies and their financial position as required under the first proviso to Section 129(3) is given in Form AOC-1 as **Annexure-2** as part of this report.

During the year, the Board of Directors approved the closure of the Company's wholly owned subsidiaries, Solara Active Pharma Sciences LTDA, Brazil, and Shasun USA Inc., at their meetings held on February 21, 2025, and July 22, 2024, respectively. The decision was taken in view of the absence of any business operations in these entities. The closure process is currently underway in accordance with applicable regulatory requirements.

- **Incorporation of Entity:**

Pursuant to In-Principal approval for carve out granted by the Board of Directors of the Company at their meeting held on January 24, 2025, a wholly owned Company called Synthix Global Pharma Solutions Limited (Synthix) was incorporated on April 29, 2025.

9. CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standard of Corporate Governance and adhere to Corporate Governance guidelines as laid out in the Listing Regulations.

The detailed report on Corporate Governance as per the format prescribed by Securities and Exchange Board of India under Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with a certificate from M/s. Mohan Kumar and Associates, Practicing Company Secretaries, confirming compliance with the requirements of Corporate Governance is attached with this report. There are no observations or adverse remarks in the said certificate.

As required by Listing Regulations, a certificate from M/s. Mohan Kumar and Associates, Practicing Company Secretary confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the companies is attached to this report.

10. MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Schedule V of Listing Regulations "Management Discussion and Analysis" is given separately and forms part of this Report.

11. NUMBER OF MEETINGS OF THE BOARD

Five meetings of the Board of Directors were held during the year. The intervening gap between two consecutive meetings was not more than 120 days. The particulars of the meetings held, and the attendance of each Director are detailed in the Corporate Governance Report.

12. DIRECTORS & KEY MANAGERIAL PERSONNEL

As on date of this report, the Board has nine directors comprising of two Executive Directors, three Non-Executive Directors and four Independent Directors. The Chairman of the Board is an Independent Director. The details of each member of the Board as on the date of this report forms part of the Corporate Governance Report.

Sl. No	Name of the Directors	Designation
1	Mr. R Ramakrishnan (DIN: 00161542)	Independent Director and Chairperson
2	Dr. Kausalya Santhanam (DIN: 06999168)	Independent Director
3	Prof. Rajendra Kumar Srivastava (DIN: 07500741)	Independent Director
4	Mr. Rajiv Vijay Nabar (DIN: 10383397)	Independent Director
5	Mr. Arun Kumar Pillai (DIN: 00084845)	Non-Executive Director
6	Mr. Manish Gupta (DIN: 06805265)	Non-Executive Director
7	Mr. Kartheek Chintalapati Raju (DIN: 02921819)	Non-Executive Director
8	Mr. Sandeep Shashikantha Rao (DIN: 10838251)	Managing Director & CEO
9	Mr. Mohan Muthunarayanan (DIN: 03610282)	Whole Time Director & COO

Retiring by Rotation:

a) Mr. Mohan Muthunarayanan (DIN: 03610282), Whole Time Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. Your directors recommend his reappointment.

b) Mr. Manish Gupta (DIN: 06805265), Non-Executive Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. Your directors recommend his reappointment.

Detailed profile of the Directors retiring by rotation is attached as **Annexure 3** to this report

Change in directors and key managerial personnel during the year:

1. Mr. Ankur Thadani resigned from the post of Non-Executive (Non-Independent) Director of the Company on July 22, 2024.
2. Mr. Manish Gupta, Non-Executive was appointed as Non-Executive (Non-Independent) Director of the Company on July 22, 2024.
3. Mr. Poorvank Purohit, resigned from the position of Managing Director and Chief Executive Officer with effect from February 21, 2025.
4. Mr. Arun Kumar Baskaran, resigned from the position of Chief Financial Officer with effect from February 21, 2025.
5. Mr. Sandeep Shashikantha Rao was appointed as Managing Director and Chief Executive Officer of the Company on February 21, 2025, and he has been designated as Key Managerial Personnel.
6. Mr. Sarat Kumar was appointed as Chief Financial Officer of the Company on February 21, 2025, and he has been designated as Key Managerial Personnel.

Changes in the position of KMP after the Financial Year 2024-25 till the date of this Report:

1. Mr. S. Murali Krishna expressed his intention to retire from the position of Company Secretary & Compliance Officer and Key Managerial Personnel of the Company with effect from May 15, 2025.
2. Ms. Pooja Jaya Kumar was appointed as the Company Secretary & Compliance Officer and Key Managerial Personnel of the Company with effect from May 15, 2025

The following are the Key Managerial Personnel (KMPs) as on the date of this report:

- Mr. Sandeep Shashikantha Rao, Managing Director & Chief Executive Officer
- Mr. M. Mohan, Whole Time Director & Chief Operating officer
- Mr. Sarat Kumar, Chief Financial Officer
- Ms. Pooja Jaya Kumar, Company Secretary

13. DECLARATION BY INDEPENDENT DIRECTORS

In accordance with Section 149(7) of the Companies Act, 2013 each Independent Director has confirmed to the Company that he / she meets the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations and that they are not aware of any circumstances or situations, which exists or may be reasonably anticipated that could impair or impact their ability to discharge duties with an objective independent judgement and without any external influence. In the opinion of the Board, all Independent Directors are independent of the management.

During the year under review, a meeting of Independent Directors was held on January 24, 2025. This meeting was conducted without the presence of other Non-Independent Directors and members of management. During the meeting, the Independent Directors evaluated the performance of the Non-Independent Directors, the Chairman, and the Board as a whole. They also assessed the quality, quantity, and timeliness of the information flow between the Company's management and the Board of Directors.

14. BOARD EVALUATION

The Companies Act and Listing Regulations relating to Corporate Governance contain provisions on evaluation of the performance of the Board and its Committees as a whole and Directors including Independent Directors, Non-Independent Directors, and Chairperson individually. In pursuant thereof, annual evaluation of performance of the Board, working of its committees, contribution and impact of individual directors has been carried out through a questionnaire for peer evaluation on various parameters.

Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for Independent Directors are determined by the NRC Committee. An indicative list of factors on which evaluation was carried out includes participation and contribution by a Director in meetings, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behaviour and judgment. Performance evaluation of the Independent Directors was done by the entire Board, excluding the Independent Director being evaluated. The Directors expressed their satisfaction with the evaluation process.

15. PARTICULARS OF EMPLOYEES

The statement containing particulars in terms of Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report and is appended herewith as **Annexure 4** to the Boards' report

The statement containing particulars in terms of Section 197(12) of the Companies Act, 2013 read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial

Personnel) Rules, 2014 forms part of this report. Considering the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report, excluding the aforesaid information, is being sent to the members of the Company and others entitled thereto. Any shareholder interested in obtaining a copy thereof, may write to the Company Secretary in this regard.

16. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has undertaken "Corporate Social Responsibility (CSR)", initiatives in areas of Health, Education and Employability which are projects in accordance with Schedule VII of the Companies Act, 2013.

A detailed report on CSR activities undertaken during the financial year 2024-25 is enclosed as **Annexure-5** to this Report.

17. RISK MANAGEMENT

The Company has a risk management framework for the identification and management of risks.

In line with the requirement under the SEBI Listing Regulations, the Company has constituted a Risk Management Committee (RMC), comprising of members of the Board and Key Managerial Personnel. Composition of RMC is provided in the Corporate Governance Report, which forms part of this Report.

RMC is entrusted with the responsibility of overseeing strategic, operational and financial risks that the organization faces, along with the adequacy of mitigation plans to address such risks.

Additional details relating to Risk Management are provided in the Management Discussion and Analysis report forming part of this Report.

18. LOANS, GUARANTEES OR INVESTMENTS

Particulars of investments made, loans given and guarantees covered under the provisions of Section 186 of the Companies Act, 2013 are provided in Note No. 47 to the Standalone Financial Statements in the Annual Report.

19. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions or arrangements entered into by the company during the financial year were on an arm's length basis and in the ordinary course of business. In Compliance with the provisions of the Act and Regulation 23(2) of the SEBI Regulations, 2015, all related party transactions had been placed before the Audit Committee for prior approval.

The transactions with related parties are disclosed in Note No. 40 to the Standalone Financial Statements in the Annual Report. Information on transactions with related parties pursuant to Section 134(3)(h) of the Companies Act 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 is enclosed as **Annexure-6** to this Report. Further, there are no materially significant related party transactions with its promoters, the directors or the management, their subsidiaries, or relatives, etc. that may have potential conflict with the interests of the Company at large.

The Company has formulated a policy for transacting with Related Parties, which is uploaded on the website of the Company and can be viewed at https://solara.co.in/uploads/2023/07/Solara-Policy-on-Related-Party-Transactions.pdf

20. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators / Courts that would impact the going concern status of the Company and its future operations.

21. AUDITORS AND AUDIT REPORTS

Statutory Auditors

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No.117366W/W-100018) were reappointed as Statutory Auditors of the Company at the Sixth Annual General Meeting of the Company held on September 15, 2023, for a period of 4 years and will hold the office till the conclusion of the 10th AGM of the Company.

Further, the Auditor's report to the shareholders on the standalone and consolidated financial statement for the year ended March 31, 2025, does not contain any qualification, observation or adverse comment.

Secretarial Auditors

M/s. Mohan Kumar & Associates, Practicing Company Secretaries, Chennai, were the Secretarial Auditor for the Company financial year 2024-25,

The Secretarial Audit for the financial year 2024-25, inter-alia, included audit of compliance with the Companies Act, 2013, and the Rules made under the Act, Listing Regulations and applicable Regulations prescribed by SEBI amongst others.

The Secretarial Audit Report is enclosed as **Annexure 7** to the Board's Report.

There are no observations or Remarks in the Secretarial Audit Report.

Secretarial Auditors for the financial year 2025-2026

The Board of Directors at their meeting held on May 15, 2025 has recommended the appointment appointment of Ms. Parimala Natarajan, a peer reviewed Practicing Company Secretary (CoP No. 5239) as Secretarial Auditors of the Company for a period of 5 consecutive years, from April 1, 2025 to March 31, 2030, subject to approval from the shareholders at the ensuing Annual General Meeting.

Ms. Parimala Natarajan, Practicing Company Secretary has given her consent to act as Secretarial Auditors of the Company and have confirmed her eligibility for the appointment. Detailed profile of Ms. Parimala Natarajan, Practicing Company Secretary forms part of the AGM Notice.

Internal Auditors

M/s. Price Waterhouse Coopers, Chartered Accountants are the Internal Auditors of the Company for the Financial year 2024-2025. The Internal Auditors carried out the audit as per the audit plan defined by the Audit Committee and regularly updated the committee on their internal audit findings at the Committee's meetings.

The Internal Auditors were satisfied with the management's response on the observation and recommendations made by them during the course of their audit and have expressed satisfaction with the internal systems, controls and process followed by the Company.

Internal Auditors for the financial year 2025-2026

The Board of Directors at their meeting held on May 15, 2025 appointed M/s. Grant Thornton Bharat LLP (formerly known as Grant Thornton India LLP) (LLPIN: AAA-7677) as the Internal Auditors of the Company for the Financial year 2025-26.

Cost Auditors and Cost Records

Mr. K. Suryanarayanan, Cost Accountant (Membership No.24946) has carried out the Cost Audit for the applicable business for the year under review.

Pursuant to the provisions of Section 148(3) of the Companies Act, 2013, the Board of Directors of the Company at their meeting held on May 15, 2025, based on the recommendation of Audit Committee, approved appointment of Mr. K. Suryanarayanan, Cost Accountant (Membership No.24946), as the Cost Auditor of the Company for financial year ended 2026 (FY26) at a remuneration not exceeding 4.75 lakhs/- plus taxes and out of pocket expenses. A proposal for ratification of remuneration of the Cost Auditors for FY26 is placed before the Shareholders for approval in the ensuing AGM.

Further, the Company has duly maintained Cost Records as specified under sub-section (1) of section 148 of the Companies Act, 2013.

22. INTERNAL FINANCIAL CONTROLS

The Company has in place well defined and adequate framework for Internal Financial Controls ("IFC") as required under Section 134 (5) (e) of the Companies Act, 2013.

During the year under review, such controls were tested and no material weaknesses in their design or operations were observed.

23. OTHER DISCLOSURES

Reporting of frauds by Auditor

During the year under review, neither the Statutory Auditors nor the Internal Auditors have reported to the Audit Committee or Board, any instances of fraud under Section 143 of the Companies Act, 2013.

Nature of Business of the Company

There has been no change in the nature of business of the Company during the year under review.

Change in Registered Office and Corporate Office

During the year under review there was no change in the Registered office and Corporate office of the Company.

Further, w.e.f May 05, 2025, the Registered office of the Company was shifted to Cyber One, Unit No. 902, Sector 30A, Plot No. 4 & 6, Vashi, Navi Mumbai, Maharashtra, India, 400703 and the Corporate Office of the Company was shifted to TICEL Bio Park, 6th Floor, Module No 601 602 603, Phase II - CSIR Road, Taramani, Chennai, Tamil Nadu, India, 600113.

Public Deposits

The Company did not accept any deposits within the meaning of provisions of Chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

Credit Rating

During the year under view, CRISIL has reaffirmed credit rating of CRISIL BBB / Negative for long term debt and CRISIL A3+ for short term debt.

Vigil Mechanism / Whistle Blower Policy

The Company, in compliance with Section 177 of the Companies Act, 2013 and Regulation 22 of Listing Regulations has established a Whistle Blower Policy in place as part of its vigil mechanism. The policy provides appropriate avenues to the directors, employees and stakeholders of the Company to make protected disclosures in relation to matters concerning the Company. Protected disclosures are appropriately dealt with by the Whistle Officer or the Chairman of the Audit Committee. The policy is also available on the Company's website at https://solara.co.in/uploads/2023/07/Solara_Whistle-Blower-Policy-1.pdf

Policy on Directors Appointment and Remuneration

The policy of the Company on Directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under Section 178 of the Companies Act, 2013 is available on the Company's website at https://solara.co.in/uploads/2023/07/Solara_Nomination_Remuneration-Policy.pdf

Insurance

The assets/ properties of the Company are adequately insured against loss due to fire, riots, earthquake, terrorism, etc., and against other perils that are considered necessary by the management.

Annual Return

Pursuant to Section 92 of the Act and Rules made thereunder, Annual Return of the Company as on March 31, 2025 is available on the website of the Company and can be accessed at https://solara.co.in/investor-relations/annual-return/

Other Confirmations

During the year under review, the Company has not made any application under the Insolvency and Bankruptcy Code, 2016 and no proceedings are pending under the Insolvency and Bankruptcy Code, 2016 during the year. During the year, there was no one-time settlement done with the Banks or Financial Institutions.

Secretarial standards issued by the Institute of Company Secretaries of India (ICSI)

The Directors state that the applicable Secretarial Standards have been followed during the Financial Year 2024-25.

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

Particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo as required under section 134 of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached as **Annexure -8** to this Report.

Disclosure under the Sexual harassment of woman at workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has put in place an anti-sexual harassment mechanism in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Committee have been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company has not received any complaint of sexual harassment during the year 2024-25.

The Internal Committee of the Company has filed annual return for the calendar year 2024. The following is the summary of the complaints received and disposed off during FY24:

(i) No. of complaints filed during the financial year: Nil

(ii) No. of complaints disposed-off during the financial year: Nil

(iii) No. of complaints pending as on the end of financial year: Nil.

Further, the Company also organizes and conducts various training programmes, from time to time, for awareness on the provisions of POSH Act.

24. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013 the Directors of your Company confirm that:

a) in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

b) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;

c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

d) they have prepared the annual accounts on a going concern basis

e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating properly; and

f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

25. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

As stipulated under the Listing Regulations, the Business Responsibility and Sustainability Report (BRSR) describing the initiatives taken by the Company from environmental, social and governance perspective is provided separately and forms integral part of this Annual Report. BRSR as a part of Annual Report is available on the company's website.

26. ACKNOWLEDGEMENT

Your directors place on record their sincere appreciation for the dedicated services and continued commitment of all employees of the Company. Directors also extend their gratitude for the consistent support and cooperation received from banks, government and regulatory authorities, stock exchanges, customers, vendors.

For and on behalf of the Board of Directors

	Sandeep Shashikantha Rao	**M Mohan**
Place: Bengaluru	Managing Director & CEO	Whole Time Director
Date: May 15, 2025	DIN: 10838251	DIN: 03610282

Annexure-I

Details of Solara's Employee Stock Options pursuant to SEBI Regulation and Companies Act, 2013

[Regulation 14 of the SEBI (Shares Based Employee Benefits and Sweat Equity) Regulations, 2021]

A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.

Members may refer to **Note no. 43: Share-Based Payments** of the Notes to Audited Standalone Financial Statement and **Note no. 45: Share-Based Payments** of the Notes to Audited Consolidated Financial Statement forming part of the Annual Report for the financial year 2024-25.

B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Ind-AS 33 : Earnings Per Share' issued by Central Government or any other relevant accounting standards as issued from time to time.

Diluted EPS for the year ended March 31, 2025 is: ₹ (0.27)/- (Standalone) & ₹ 0.14/- (Consolidated) calculated in accordance with Ind- AS 33 (Earnings Per Share).

C. Details related to ESOS-

➢ **SOLARA EMPLOYEE STOCK OPTION PLAN 2018:**

(i) A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including -

(a) Date of shareholders' approval - September 28, 2018

(b) Total number of options approved under ESOP - 12,28,778 Options

(c) Vesting requirements – One Year from the date of Grant and every year thereafter

(d) Exercise price or pricing formula - Decided by the Nomination and Remuneration Committee from time to time

(e) Maximum term of options granted – 3 years

(f) Source of shares (primary, secondary or combination) - Primary

(g) Variation in terms of options – N.A.

(ii) Method used to account for ESOS - Fair Value

(iii) Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed- N.A.

(iv) Option movement during the year (For each ESOS):

Particulars	Details
Number of options outstanding at the beginning of the period	2,88,840
Number of options granted during the year	1,10,200
Number of options forfeited / lapsed during the year	1,25,960
Number of options vested during the year	1,65,440
Number of options exercised during the year	58,000
Number of shares arising as a result of exercise of options	58,000
Money realized by exercise of options (₹), if scheme is implemented directly by the company	₹ 1,54,89,000/-
Loan repaid by the Trust during the year from exercise price received	NA
Number of options outstanding at the end of the year	2,20,040
Number of options exercisable at the end of the year	1,07,440

(v) Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock:

Weighted Average Exercise Price - ₹ 307.44/-

Weighted Average Fair Value – ₹ 214.91 /-

(vi) Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to -

(a) Key Managerial Personnel (KMP) and Senior Managerial Personnel (SMP) of the Company.

Sl. No	Name of Employee	Designation	Category	Number of options granted during the year	Exercise price
1.	Arun Kumar Baskaran	Chief Financial Officer	KMP	25,000	375
2.	S Murali Krishna	Company Secretary	KMP	7,500	375
3.	Neeta Dani	Senior Vice President – Sales & Marketing	SMP	12,600	375
4.	Ganesh Mukundan	Senior Vice President – Sales & Marketing	SMP	12,600	375

(b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year-

Sl. No	Name of Employee	Designation	Number of options granted during the year	Exercise price
1.	Raghavan Venkatramani	General Manager - Accounts	7,500	375
2.	Ramesh Swamynathan	Assistant Vice President - Finance	7,500	375
3.	Abhishek Jain	Assistant Vice President - Marketing	7,500	375
4.	Ammar Shabbir Ali Taj	Manager - Marketing	7,500	375
5.	Akash Todarwal	Manager - Marketing	7,500	375
6.	Srinivasa Balaji	Assistant Vice President - SCM	7,500	375
7.	Rajesh Patro	Assistant VP Costing	7,500	375

(c) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant- Nil

(vii) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

(a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;

(b) the method used and the assumptions made to incorporate the effects of expected early exercise;

(c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and

(d) whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition.

The fair value of options granted were estimated on the grant date using the Black Scholes method. Members may refer to the audited financial statement for the year 2024-25 for further details.

➢ SOLARA EMPLOYEE STOCK OPTION PLAN -2024

(i) A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including -

(a) Date of shareholders' approval - September 20, 2024

(b) Total number of options approved under ESOP - 9,60,000

(c) Vesting requirements – The Vesting Schedule of an Option shall be a minimum of one year from the Grant Date.

(d) Exercise price or pricing formula - Decided by the Nomination and Remuneration

Committee from time to time

(e) Maximum term of options granted – 3 years

(f) Source of shares (primary, secondary or combination) - Primary

(g) Variation in terms of options –N.A.

(ii) Method used to account for ESOS - Fair Value

(iii) Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed. N.A.

(iv) Option movement during the year (For each ESOS):

Particulars	Details
Number of options outstanding at the beginning of the period	Nil
Number of options granted during the year	3,50,000
Number of options forfeited / lapsed during the year	Nil
Number of options vested during the year	Nil
Number of options exercised during the year	Nil
Number of shares arising as a result of exercise of options	Nil
Money realized by exercise of options (₹), if scheme is implemented directly by the company	Nil
Loan repaid by the Trust during the year from exercise price received	NA
Number of options outstanding at the end of the year	3,50,000
Number of options exercisable at the end of the year	Nil

(v) Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock:

Weighted Average Exercise Price - ₹ 375/-

Weighted Average Fair Value – ₹ 216 /-

(vi) Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to -

(a) Key Managerial Personnel (KMP) and Senior Managerial Personnel (SMP) of the Company;

Sl. No	Name of Employee	Designation	Category	Number of options granted during the year	Exercise price
1.	Sandeep Shashikantha Rao	Managing Director and CEO	KMP	200,000	375
2.	Sarat Kumar Asuri	CFO	KMP	100,000	375
3.	Vishal Mathur	Chief Commercial Officer	SMP	50,000	375

(b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; - Nil

(c) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant- Nil

(vii) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

(a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;

(b) the method used and the assumptions made to incorporate the effects of expected early exercise;

(c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and

(d) whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition.

The fair value of options granted were estimated on the grant date using the Black Scholes method. Members may refer to the audited financial statement for the year 2024-25 for further details.

For and on behalf of the Board of Directors

Place: Bengaluru Date: May 15, 2025	**Sandeep Shashikantha Rao** Managing Director & CEO DIN: 10838251	**M Mohan** Whole Time Director DIN: 03610282

Annexure 2 to the Board's Report

FORM AOC-1

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

PART "A" : Subsidiaries

(₹ in Crores)

S. No	Subsidiary Name	Reporting period	Reporting Currency	Share capital (including share application money pending allotment)	Reserves and surplus	Total liabilities	Total assets	Investments (except in case of Investments in Subsidiaries)	Turnover	Profit / (Loss) before taxation	Tax Expenses/ (credit)	Profit / (Loss) after taxation	Proposed dividend equity	% Share holding
1	Chemsynth Laboratories Private Limited	Apr-Mar	₹	6.86	(2.48)	2.23	6.61	0.00	0.00	(0.01)	0.00	(0.01)	-	49%
2	Shasun USA Inc	Apr-Mar	USD	0.05	(4.06)	4.14	0.13	0.00	0.00	(0.05)	0.00	(0.05)	-	100%
3	Solara Active Pharma Sciences LTDA	Apr-Mar	BRL	-	-	-	-	-	-	-	-	-	-	-

PART "B" : Associates and Joint Ventures

(₹ in Crores)

S. No	Name of Associate / Joint venture	Latest Audited Balance Sheet date	Shares held by the company on the year end			Significant Influence	Reason for not consolidation	Net worth	Profit / (Loss) for the year	
			No.	Investment Held	Holding %				Considered in consolidation	Not Considered in consolidation
Associates and Joint Ventures										
	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

For and on behalf of the Board of Directors

Sandeep Shashikantha Rao
Managing Director & CEO
DIN: 10838251

M Mohan
Whole Time Director
DIN: 03610282

Place: Bengaluru
Date: May 15, 2025

Annexure 3 to the Board's Report

Details of Director seeking appointment and re-appointment at the forthcoming Annual General Meeting [Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

PROFILE OF THE APPOINTEE DIRECTOR

Name of Director	Mr. Mohan Muthunarayanan	Mr. Manish Gupta
DIN:	03610282	06805265
Age	53 years	58 years
Nationality	Indian	Indian
Date of first appointment to the Board	February 14, 2024	July 22, 2024
Brief Resume Qualifications Experience/Expertise in specific functional area	Mohan is a Chemical Engineering Graduate from Annamalai University. In 20+ years of professional career he has held various leadership roles in Operations, heading the API & Formulations for Shasun and Solara. He has also provided entrepreneur consulting to pharmaceutical companies in designing & implementing large projects on setting up manufacturing plants. Mohan has rejoined Solara in 2019 as Cluster Head for 2 Pondy & Vizag sites and has led operations through transformative growth. Mohan is currently working as Executive Director & COO of the Company.	Mr. Manish Gupta is currently the Managing Director of Jagsonpal Pharmaceuticals Limited, a Listed Pharmaceutical Company with a strong presence in India as well as an Operating Partner in Convergent Finance, an India focused PF fund. Mr. Manish holds a Master's degree in Management Studies (Finance) and a Bachelor's degree in Mechanical Engineering. He has over 30 years of corporate experience with over half of them in leading and managing businesses across the globe. His previous stint was with Sequent Scientific as the CEO and Managing Director for 8+ years. Previously, he has been the CEO -Pharma Business for Strides Pharma Science for 4 years. Earlier, he was associated with Wockhardt for 12 years in various capacities, his last role being the Managing Director of Pinewood Healthcare, Ireland and CEO of Radiant Research, a CRO in USA. Manish led SeQuent since 2014 and played a significant role in transforming the Company into India's largest and amongst Top 20' global animal health Companies with operations in India, Turkey, Brazil and the EU. He undertook a series of structural moves including inorganic initiatives with emphasis on consolidating market presence, entering new markets and strengthening customer-centricity. The Company was acquired by The Carlyle Group, a leading global private equity investor in their first control transaction in India. Over years, he has been responsible for over 25+ M&A transactions across the globe with a collective Enterprise value in excess of $ 3bn.
No. of shares held in the Company, including shareholding as a beneficial owner	9,000 shares	Nil
List of Directorships held in other Companies including listed entities	Nil	Jagson Pal Pharmaceuticals Limited - Managing Director
Names of listed entities from which appointee has resigned in the past three years	Nil	Nil
No. of board meetings attended during the year (FY 24-25)	5	3
Chairman/ Member in the Committees of the Boards of companies in which he is Director	Nil	Jagson Pal Pharmaceuticals Limited Stakeholder Relationship Committee – Member Corporate Social Responsibility Committee – Member
Last drawn remuneration in Solara (including sitting fees & Commission) (FY 24-25) (In Crores)	₹ 1.68 Crores	Sitting Fees- ₹ 0.03 Crores

Name of Director	Mr. Mohan Muthunarayanan	Mr. Manish Gupta
Skills and capabilities required for the role of Independent Director and the manner in which the proposed person meets such requirements	N.A.	N.A.
Relationship between director inter-se and other Key Managerial Personnel of the company	None	None
Remuneration details (including sitting fees & Commission)	Remuneration shall be as per the Shareholders' approval of April 6, 2024, obtained by way of Postal Ballot.	Remuneration by way of fee for attending meetings of the Board or committees thereof as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings.
Last drawn remuneration in Solara (including sitting fees & Commission) (FY 24-25) (In Crores)	₹ 1.68 Crores	Sitting Fees- ₹ 0.03 Crores
Other terms and conditions of appointment	This is reappointment of the director, who is liable to retire by rotation, hence the terms and conditions are covered at the time of his initial appointment.	This is reappointment of the director, who is liable to retire by rotation, hence the terms and conditions are covered at the time of his initial appointment.

Notes:

a) None of the Directors mentioned above are related with other Directors on the Board or Key Managerial Personnel of the company.

For and on behalf of the Board of Directors

	Sandeep Shashikantha Rao	**M Mohan**
Place: Bengaluru	Managing Director & CEO	Whole Time Director
Date: May 15, 2025	DIN: 10838251	DIN: 03610282

Annexure 4 to the Board's Report

Details pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S No	Particulars	Disclosure
1	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ending March 31, 2025	As at March 31, 2025 the Board has 9 Directors - comprising of Two Executive Directors, four Independent Directors and three Non-Executive Directors. The Non-Executive & Independent Directors are entitled to receive sitting fees of ₹ 100,000/- for attending each meeting of the Board and Audit Committee. The ratio of remuneration of the Executive Directors of the Company to the median remuneration of the employees of the Company for the financial year ended March 31, 2025, are as below: Mr Poorvank Purohit, Managing Director, and CEO (Resigned wef. February 21, 2025) – 1: 30.8 Mr Mohan M, Executive Director (Whole Time Director) – 1: 16.1 Sandeep Shashikantha Rao, Managing Director, and CEO (Appointed on February 21 2025)- 1: 38.5 The median remuneration for the period under review is ₹ 844,056/- per annum (without considering the Sitting Fees paid to Non-Executive & Independent Directors of the Company).
2	The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and Company Secretary in the financial year ending March 31, 2025:	(see table below)
3	The percentage increase in the median remuneration of employees in the financial year ending March 31, 2025	9.67%
4	The number of permanent employees on the rolls of Company as at March 31, 2025	1755 Employees
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average annual increase across the organisation was around 6.73%.

Name		% of Increase
Poorvank Purohit	Managing Director, and CEO (Resigned wef. February 21, 2025)	NA
Mohan M	Whole Time Director	NA
Arun Kumar Baskaran	Chief Financial Officer (Resigned wef. February 21, 2025)	20%
S Murali Krishna	Company Secretary & Compliance Officer	7.1%
Sandeep Shashikantha Rao	Managing Director, and CEO	NA (Appointed on February 21, 2025)
Sarat Kumar Asuri	Chief Financial Officer	NA (Appointed on February 21, 2025)

The Company affirms remuneration to the Directors and Key Managerial Personnel is as per the remuneration policy of the Company.

For and on behalf of the Board of Directors

Sandeep Shashikantha Rao
Managing Director & CEO
DIN: 10838251

M Mohan
Whole Time Director
DIN: 03610282

Place: Bengaluru
Date: May 15, 2025

Annexure 5 to the Board's Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

At Solara, community development programmes are integral to our sustainability strategy. The company strives to go beyond compliance and create sustainable value for communities by improving their health, education and employability.

The policy encompasses our philosophy towards CSR and lays down guidelines and mechanisms for undertaking socially beneficial programmes for welfare and sustainable development of the community at large.

Vision:

To actively contribute to the community in which we operate and provides high quality solutions to the issues impacting their lives, which results in the overall development of the society.

Mission:

To innovate for our society, deliver high quality services and impactful interventions over a long period of time and ensure sustained relations with the society.

2. COMPOSITION OF CSR COMMITTEE:

Sl. No	Name of the Director	Designation / Nature of directorship	No. of Meetings of CSR Committee held during the period in which the said member was on the Committee	Number of meetings of CSR Committee attended during the year
1.	Dr. Kausalya Santhanam	Chairperson - Independent Director	1	1
2.	Mr. R. Ramakrishnan	Member – Independent Director	1	1
3.	Mr. Ankur Thadani (Resigned w.e.f. July 22, 2024)	Member – Non-Executive Director	1	-
4.	Mr. Poorvank Purohit (Resigned w.e.f. July 5, 2023)	Member – Executive Director	1	1
5.	Sandeep Shashikantha Rao (Appointed w. e. f February 21, 2025)	Member – Managing Director and CEO	0	0

3. WEB-LINK RELATING TO COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE COMPANY'S WEBSITE: https://solara.co.in/investor-relations/corporate-social-responsibility/

4. EXECUTIVE SUMMARY ALONG WITH WEB-LINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8, IF APPLICABLE: Not applicable

5. **(a) Average net profit of the Company as per Section 135(5) – ₹ (208.07) Crores**

   (b) Two percent of average net profit of the company – ₹ (4.16 crores)

   (c) Surplus arriving out of the CSR projects or programmes or activities of the previous financial year – Nil

   (d) Amount required to set-off for the financial year, if any – Nil

   (e) Total CSR obligation for the financial year (b+c+d) – Nil

6. **(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) - ₹0.65 Crores**

   (b) Amount spent in Administrative Overhead- NA

   (c) Amount spent on Impact Assessment, if applicable- NA

   (d) Total amount spent for the Financial Year [(a)+(b)+(c)]- ₹0.65 Crores

(e) CSR amount spent or unspent for the financial year

(₹ In Crores)

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Ac-count as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer.
₹ 64,97,747	-	NA	NA	-	NA

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in Crores.)
(1)	(2)	(3)
i.	Two percent of average net profit of the company as per sub-section (5) of section 135	(4.16)
ii.	Total amount spent for the Financial Year	0.65
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	0.65
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	0.71
v.	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	1.36

7. DETAILS OF UNSPENT CORPORATE SOCIAL RESPONSIBILITY AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS:

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)	(9)
Sl. No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any			Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer			
1	FY-1	-	-	-	-	NA		-	NA
2	FY-2	-	-	-	-	NA		-	NA
3	FY-3	-	-	-	-	NA		-	NA

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes ☐ No ☑

If Yes, enter the number of Capital assets created/ acquired

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

Sl. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or as-set(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered Address

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/ Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135- Not Applicable

For and on behalf of the Board of Directors

Place: Bengaluru
Date: May 15, 2025

Kausalya Santhanam
Independent Director &
Chairperson of the CSR Committee
DIN: 06999168

Sandeep Shashikantha Rao
Managing Director & CEO
DIN: 10838251

Annexure 6 to the Board's Report

FORM NO. AOC-2

Particulars of Contracts/ Arrangements with Related Parties referredin Section 188(1) of the Companies Act, 2013

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil
2. Details of material contracts or arrangements or transactions at arm's length basis for the financial year ended March 31, 2025 are as under:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Monetary Value (₹in crores)	Date of approval by the Board / Audit Committee	Amount paid as advances, if any
Strides Pharma Science Ltd (Strides) – Enterprise owned by common promoters	Sale of API products, rendering / receiving of services, reimbursement of expenses and leasing of properties as per prevailing market prices	On going	The Company has entered into specific arrangements with Strides for long term API supplies. Transactions are in line with such arrangements.	226.59	Appropriate approvals have been taken for related party transactions.	Nil

Note : Above data excludes reimbursement of expenses incurred by / incurred on behalf of related party.

For and on behalf of Board of Directors

Place: Bangalore
Date: May 15, 2025

Sandeep Shashikantha Rao
Managing Director & CEO
DIN: 10838251

M Mohan
Whole Time Director
DIN: 03610282

Annexure 7

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

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

To,

The Members,

M/s. Solara Active Pharma Sciences Limited.

I have conducted the Secretarial Audit of the Compliances with regards to applicable statutory provisions and the adherence to good corporate practices followed by **M/s. Solara Active Pharma Sciences Limited** (hereinafter called "the Company") bearing Corporate Identification Number **L24230MH2017PLC291636.** Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of M/s. Solara Active Pharma Sciences Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2025, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31stMarch 2025 ("Review period") according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2021;

f) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021 - **During the financial year under review the Company has not issued any Non-convertible securities and hence not applicable;**

g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- The Company is not registered as transferor to issue and Share Transfer Agent during the financial year under review and hence not applicable;

h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021- **Not applicable during the financial year under review as the Company has not delisted its equity shares from any stock exchange;**

i) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013- **Not applicable during the financial year under review as the Company has not issued any Non- Convertible and Redeemable Preference Shares from any stock exchange;**

a) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018- **The Company has not bought back any of its securities during the financial year under review and hence not applicable; and**

b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

c) The Laws as applicable specifically to the Company

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

I further report that the applicable financial laws, such as Direct and Indirect Tax Laws, have not been reviewed under my audit as the same falls under the review of statutory auditor and by other designated professionals.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned as above, and I report that:

a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

b) Adequate Notice is given to all Directors to Schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

c) All decisions were carried through, where there were no dissenting members of the Board.

I further report that there are adequate systems and process in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, rules, regulations and guidelines.

During the audit period, the following major transactions were identified:

1. Solara Visakhapatnam facility completed the inspection carried out by the US Food and Drug Administration (US FDA). The inspection established that the site is in an "Acceptable State of Compliance" with Zero Form 483 inspectional observations and the Solara, Puducherry facility completed the EU GMP Inspection carried out by the "Government of Upper Bavaria, Germany."

2. The Board, by way of circular resolution passed on March 25, 2024, approved the sale of 100% of the shareholding in M/s. Sequent Penems Private Limited. In this regard, a share purchase agreement was entered into with M/s. Symbio Generrics India Private Limited, Bangalore, for a consideration of ₹12.50 crores. The transaction was consummated on April 25, 2024, and M/s. Sequent Penems Private Limited ceased to be a subsidiary of the Company.

3. The Board of Directors, in their meeting dated July 5, 2023, accorded their approval for the issue of equity shares on a rights basis to the existing equity shareholders for an aggregate amount, including premium, not exceeding Rupees 450 crores, for which the stock exchanges have granted their in-principle approval on May 2, 2024, and May 6, 2024. Further, the Rights Issue Committee, in their meeting held on May 9, 2024, approved the terms of the issue, record date and issue price.

   Pursuant to the finalisation of the basis of allotment of the Rights Issue, the Rights Issue Committee of the Board of Directors of the Company, at its meeting held on June 19, 2024, approved the allotment of 1,19,98,755 partly paid up Equity Shares at a price of ₹ 375 per Rights Equity Share (including a premium of ₹ 365 per Rights Equity Share) wherein the applicants were required to pay ₹131.25 per Equity Share on application (face value of ₹ 3.50 per Rights Equity Share and premium of ₹ 127.75 per Rights Equity Share). Consequent to the said allotment, the paid-up equity share capital of the Company has increased from ₹ 36,00,52,670 divided into 3,60,05,267 fully paid up Equity Shares of face value of ₹10 each to ₹40,20,48,313 divided into 3,60,05,267 fully paid up Equity Shares of face value of ₹10 each and 1,19,98,755 partly paid up Equity Shares having face value of ₹ 10 each (where the Applicants were required to pay face value of ₹ 3.50 per Rights Equity Share on Application and the balance face value of ₹ 6.50 on subsequent call(s)).

   The Company, further, with the approval of the Rights Issue Committee in their meeting dated March 26, 2025 approved the making of first call of ₹ 3.50/- each (i.e.) 35% on the face value ("FV") of ₹ 10/- each on the outstanding 1,19,98,755 partly paid-up equity shares of the Company and the First Call Money Notice was approved in the Committee meeting dated April 02, 2025. The trading of ₹3.50/- , partly paid-up equity shares of the Company (ISIN: IN9624Z01014) was suspended on the Stock

Exchange with effect from Friday, April 04, 2025, on account of the First Call.

4. The shareholders in their Annual General Meeting held on 20th September 2024, granted their prior approval for the material related party transactions to be carried on with M/s. Strides Pharma Science Limited upto a maximum limit of Rupees 400 crores. In the said meeting, the shareholders have also approved the Solara ESOP Plan 2024 and its extension to Employees of Subsidiaries.

5. The Board of Directors had discussed a proposal to explore 'demerger of the CRAMS and Polymers business into an independent listed entity' and granted in-principle approval for the same in their meeting dated January 24, 2025. The Board Committee of the Company at its meeting held on February 7, 2025, approved the incorporation of a Wholly-owned Subsidiary of the Company and subsequently "M/s. Synthix Global Pharma Solutions Limited" was incorporated on April 29, 2025.

6. The Board of Directors of the Company, at their meeting held on February 21, 2025, approved the proposal for closure of Solara Active Pharma Sciences LTDA, Brazil, Wholly Owned Subsidiary ("WoS") of the Company as there were no operations.

7. With the approval of the Audit Committee and the Board, in its meeting dated October 21, 2024, the Company has availed ₹ 3 crores as loan from Chayadeep Properties Private Limited, a related party of the Company. Additionally, the maximum amount to be availed as loan from the said related party was fixed as ₹ 10 crores.

8. During the financial year under review there has been following encumbrances on shares by the promoters/promoter group:

Date of encumbrance	**Date of reporting**	**Name of the Promoter/ Promoter group**	**Number and % of shares encumbered**	**Reason for Encumbrance**
06/06/2024	10/06/2024	SRJR Enterprise LLP	15,00,000 constituting 4.17% of total share capital	Pledge of shares
10/06/2024	14/06/2024	Pronomz Ventures LLP	81,912 constituting 0.23% of total share capital	Pledge of shares

9. During the financial year under review there has been following acquisition of shares by the promoters/ promoter group:

Name of the Promoter/ Promoter group	**Number of shares acquired**	**Revised Paid up Capital**	**Mode of acquisition**	**Remarks**
Devicam Capital LLP	64,24,262	48,00,40,220	Rights issue allotment	Exempted from making open offer as per Regulation 10(4)(a) and 10(4)(b)
Agraganya Private Trust	4,62,160			
KR Lakshmi	7,242			
Padmakumar Karunakaran Pillai	13,797			
Vineetha Mohanakumar Pillai	8,055			
Pronomz Ventures LLP	3,41,961 (0.71%)	NA	Market Purchase in the month of February 2025	Pre-clearance obtained from the Compliance officer

10. During the financial year under review there has been following acquisitions/sales constituting more than 5% or 2% of total share capital:

- Authum Investment and Infrastructure Limited has acquired 35,00,000 equity shares of the Company constituting 7.29% of total share capital on June 28, 2024 through open market, out of which 15,00,000 shares (3.12%) are under pledge.
- TPG Growth IV SF Pte. Ltd. has sold 20,00,000 equity shares of the Company constituting 4.17% of total share capital on June 28, 2024 and further sold 7,28,702 equity shares of the Company constituting 2.02% of total share capital on December 19, 2024 through open market.

11. The company has granted stock options to the following employees/directors during the financial year under review as per Solara ESOP scheme, 2018.

Date of NRC Meeting	Name & Designation	Number of options granted	Exercise Price
28.06.2024	Mr. Arun Kumar Baskaran, CFO	25,000	375
28.06.2024	Mr. Ganesh Mukundan, VP Marketing	12,600	375
28.06.2024	Ms. Neeta Dani, VP Marketing	12,600	375
28.06.2024	Mr. Raghavan Venkatramani, Asst. VP - Accounts	7,500	375
28.06.2024	Mr. Ramesh Swaminathan - Asst. VP Finance	7,500	375
28.06.2024	Mr. Abhishek Jain -VP Marketing	7,500	375
28.06.2024	Mr. Ammar Shabbir Ali Taj, Manager Marketing	7,500	375
28.06.2024	Mr. Akash Todarwal - Manager Marketing	7,500	375
28.06.2024	Mr. Srinivasa Balaji - Asst. VP-SCM	7,500	375
22.07.2024	Mr. Rajesh Patro, Asst. VP - Costing	7,500	375
22.07.2024	Mr. S. Murali Krishna - Company Secretary	7,500	375

The company has granted stock options to the following employees/directors during the financial year under review as per Solara ESOP scheme, 2024.

Date of NRC Meeting	Name & Designation	Number of options granted	Exercise Price
21.02.2025	Mr. Sandeep Shashikantha Rao, Managing Director & CEO	2,00,000	375
21.02.2025	Mr. Sarat Kumar, CFO	1,00,000	375
21.02.2025	Mr. Vishal Mathur, Chief Commercial Officer	50,000	375

The company has allotted stock options to the following employees/directors during the financial year under review as per Solara ESOP scheme, 2018.

Date of NRC Meeting	Name & Designation	Number of options granted	Exercise Price	New Paid up Capital (in ₹)
29.05.2024	Mr. Poorvank Purohit, Managing Director & CEO	9000	309	36,00,52,670
21.10.2024	Mr. Poorvank Purohit, Managing Director & CEO	40000	252	40,25,38,312.50
	Mr. Mohan Muthunarayanan, Executive Director	9000	292	

12. The following major transactions were identified after the review period:
    - Shifting of the Registered Office of the Company within the local limits of city of Navi Mumbai from 201, Devavrata, Sector 17, Vashi, Navi Mumbai, Mumbai - 400 703, Maharashtra, India to 'Cyber One', Unit No. 902, Plot No. 4 & 6, Sector 30A, Vashi, Navi Mumbai - 400 703 with effect from May 05, 2025.
    - Shifting of Corporate Office from 2nd Floor, Admin Block, No. 27, Vandaloor Kelambakkam Road, Keelakottaiyur Village, Melakottaiyur (Post), Chennai – 600 127 to TICEL BIO PARK., 6th floor Module No. 601, 602, 603, Phase II - CSIR Road, Taramani, Chennai, Tamil Nadu – 600113. The Books of accounts are to be maintained at the aforesaid address with effect from May 5, 2025.
13. The details of changes in the Composition of the Board of Directors of the Company and KMP for the Financial Year 2024-2025 is given in **"Annexure B"**.

For **Mohan Kumar & Associates**

A. Mohan Kumar
Practicing Company Secretary
Membership Number: FCS 4347
Certificate of Practice Number: 19145
Peer Review Certificate Number: 2205/2022
UDIN:F004347G000346744

Place: Chennai.
Date:15-05-2025

This Report is to be read with my testimony of even date which is annexed as **Annexure A** and forms an integral part of this report.

Annexure A

To,
The Members,
M/s. Solara Active Pharma Sciences Limited.

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

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

For **Mohan Kumar & Associates**

A. Mohan Kumar
Practicing Company Secretary
Membership Number: FCS 4347
Certificate of Practice Number: 19145
Peer Review Certificate Number: 2205/2022
UDIN:F004347G000346744

Place: Chennai.
Date:15-05-2025

Annexure B

Changes in the Composition of Board of Directors during the Financial Year 2024-2025:

S. No.	Name & Designation	Appointment/ Resignation	Date of Board's approval or Effective date	Date of Shareholders' approval
1	Mr. Mohan Muthunarayanan, Executive Director	Appointment	14.02.2024	06.04.2024
2	Mr. Ramakrishnan Rajagopal, Independent Director	Elected as Chairman of the Company	29.05.2024	Not Applicable
3	Mr. Ankur Thadani, Non-Executive (Non-Independent) Director	Resignation	22.07.2024	Not Applicable
4	Mr. Manish Gupta, Non-Executive (Non-Independent) Director	Appointment	22.07.2024	20.09.2024
5	Mr. Sandeep Shashikantha Rao, Managing Director and Chief Executive Officer	Appointment	21.02.2025	19.04.2025
6	Mr. Poorvank Purohit, Managing Director and Chief Executive Officer	Resignation	21.02.2025	Not Applicable
7	Mr. Arun Kumar Pillai, Non-Executive Director	Re-appointment of Director retiring by rotation	Not Applicable	20.09.2024
8	Mr. Kartheek Chintalapati Raju, Non-Executive Director	Re-appointment of Director retiring by rotation	Not Applicable	20.09.2024

Details of changes in CFO during the Financial Year 2024-2025:

S. No.	Name	Date of Appointment	Date of Cessation
1.	Mr. Sarat Kumar	21.02.2025	-
2.	Mr. Arun Kumar Baskaran	08.03.2024	21.02.2025

Annexure 8 to the Board's Report

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo for FY25

[Pursuant to the provisions of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014]

(A) CONSERVATION OF ENERGY

i. Steps taken or impact on conservation of energy:

No major investments were made in energy optimization during the year. However, process improvements and better facility utilization have resulted in increased throughput for certain products, with some capacities doubling within the same footprint.

ii. Steps taken by the Company for utilising alternate sources of energy

The Company has installed a 1,215 KW Solar Power Facility at Pondicherry, catering to in-house power consumption. Similar initiatives are being explored at Mangalore and Ambernath through third-party tie-ups.

iii. Capital investment on energy conservation equipment

Other than the above-mentioned Solar Energy Project, no significant capital investments were made during the year due to financial constraints.

(B) TECHNOLOGY ABSORPTION

i. Efforts made towards technology absorption

The Company has not entered into any technology agreement or collaborations during the year.

ii. the benefits derived like product improvement, cost reduction, product development or import substitution;

Process optimization measures led to higher throughput for certain products, with capacities doubling in some areas without additional footprint or major capital expenditure.

iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

The Company has not imported any technology during the last three years.

(a) Details of technology imported – Not applicable

(b) Year of import – Not applicable

(c) Whether technology fully absorbed – Not applicable

(d) If not fully absorbed, reasons – Not applicable

(e) Expenditure on Research and Development

(in Crores)

Particulars	Total as at 31st March 2025	Total as at 31st March 2024
Capital	Nil	1.89
Recurring	41.45	55.98

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

(in Crores)

Particulars	Total as at 31st March 2025	Total as at 31st March 2024
Foreign exchange earned in terms of actual inflows	1,170.55	1,164.22
Foreign exchange outgo in terms of actual outflows	656.23	713.32

For and on behalf of the Board of Directors

Sandeep Shashikantha Rao
Managing Director & CEO
DIN: 10838251

M Mohan
Whole Time Director
DIN: 03610282

Place: Bengaluru
Date: May 15, 2025

Corporate Governance Report

The detailed report on Corporate Governance as per the format prescribed by Securities and Exchange Board of India under Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is set out below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company remains steadfast in its commitment to sound Corporate Governance practices, guided by the principles of integrity, fairness, transparency, and accountability. The Company believes that effective governance is the cornerstone of long-term value creation and sustainable growth for all stakeholders – shareholders, customers, employees, vendor partners, and business associates.

The Board and management continue to operate with a strong sense of responsibility, ensuring that decisions are taken objectively and in the best interests of all shareholders, including minority shareholders. Ethical conduct and adherence to values remain at the core of every business decision, reinforcing stakeholder confidence.

The Company recognises that timely, adequate, and accurate disclosures form the foundation of accountability. Accordingly, it strives to go beyond statutory requirements by not only complying with the letter of the law but also embracing its true spirit, thereby promoting transparency across all operations.

Your Company believes that corporate governance is not a one-time compliance requirement but an ongoing journey of strengthening systems, processes, and practices that align business conduct with the expectations of its stakeholders.

2. BOARD OF DIRECTORS:

2.1. Composition of Board as on date of this report

As on the date of this Report, the Board comprises 9 Directors - two Executive Directors, four Independent Directors and three Non-Executive Directors. The Chairman of the Board is an Independent Director. All the Directors on the Board are highly experienced in their respective fields.

Sl. No	Name of the Directors	DIN	Category of Director
1	Mr. R Ramakrishnan	00161542	Independent Director and Chairman of the Company
2	Dr. Kausalya Santhanam	06999168	Independent Director
3	Mr. Rajendra Kumar Srivastava	07500741	Independent Director
4	Mr. Rajiv Vijay Nabar	10383397	Independent Director
5	Mr. Arun Kumar Pillai	00084845	Non-Executive Director
6	Mr. Manish Gupta	06805265	Non-Executive Director
7	Mr. Kartheek Chintalapati Raju	02921819	Non-Executive Director
8	Mr. Sandeep Shashikantha Rao	10838251	Managing Director & Chief Executive Officer
9	Mr. Mohan Muthunarayanan	03610282	Whole Time Director & Chief Operation Officer

The Board has an optimum combination of Executive and Non-Executive Directors, with a majority being Independent Directors, including Independent Woman Director in compliance with the Regulation 17 of the Listing Regulations read with Section 149 of the Companies Act, 2013 (the 'Act'). The Board periodically evaluates the need for change in its size and composition. The profile of Board of Directors of the Solara can be accessed at https://solara.co.in/company/board-of-directors/.

2.2. Changes in Board of Directors / Key Managerial Personnel of the Company during the financial year 2024-25:

1. Mr. Ankur Nand Thadani resigned from the position of Non-Executive (Non-Independent) Director and Directorship of the Company with effect from July 22, 2024, confirming that there are no material reasons other than the reasons specified in his Resignation Letter.
2. Mr. Manish Gupta was appointed as a Non-Executive (Non-Independent) Director of the Company w.e.f July 22, 2024 who was subsequently regularized at the Annual General Meeting of the Company held on September 20, 2024.

3. Mr. Poorvank Purohit resigned as the Managing Director & CEO of the Company, with effect from February 21, 2025, citing personal reasons. Consequently, he also ceased to be the Director and Member of the Committees of the Company and confirmed that there are no material reasons other than the reasons specified in his Resignation Letter.
4. Mr. Sandeep Shashikantha Rao was appointed as Managing Director & Chief Executive Officer ("CEO") of the Company with effect from February 21, 2025, and he has been designated as Key Managerial Personnel ("KMP").
5. Mr. Arun Kumar Baskaran resigned from the post of Chief Financial Officer of the Company on February 21, 2025 confirming no material reasons other than those stated in the Resignation Letter.
6. Mr. Sarat Kumar Asuri was appointed as Chief Financial Officer of the Company with effect from February 21, 2025, and he has been designated as Key Managerial Personnel.

2.3. Changes in the position of KMP after the Financial Year 2024-25 till the date of this Report:

1. Mr. S. Murali Krishna retired from the position of Company Secretary & Compliance Officer with effect from May 15, 2025.
2. Ms. Pooja Jaya Kumar was appointed as the Company Secretary & Compliance Officer of the Company with effect from May 15, 2025.

The Independent Directors of the Company fulfil the criteria of independence as specified in Section 149 (6) of the Companies Act, 2013 and Rules framed thereunder and Regulation 16 (1) (b) of the Listing Regulations. The Company has received necessary declaration from each of the Independent Director that he/ she meets the criteria of independence as laid down in Section 149 (6) of the Companies Act, 2013 and Regulation 25 of Listing Regulations as of March 31, 2025. All the Independent Directors of the Company have enrolled with Indian Institute of Corporate Affairs.

A formal letter of appointment as provided in the Companies Act, 2013 ("Act") and the Listing Regulations has been issued to Independent Directors of the Company. Terms and Conditions of appointment of Independent Directors are disclosed on the website of the Company at https://solara.co.in/investor-relations/

2.4. Board Meetings held during the year

During the financial year 2024-25, the Directors met five (5) times i.e., on

- May 29, 2024;
- July 22, 2024;
- October 21, 2024;
- January 24, 2025,
- February 21, 2025.

Composition of Board of Directors as on March 31, 2025, attendance at Board Meetings held during the financial year 2024-25 and the Annual General Meeting held on September 20, 2024

Name	Category	No. of other Directorship held in other public companies	Name of the other Listed entities holding Directorship / Designations	No. of Committee positions held in other public companies		No. of Board meetings during 2024-25		No. of shares held	Whether attended last AGM held on September 20, 2024
				Membership	Chairman-ship	Held	Attended during their tenure		
Mr. R. Ramakrishnan	Independent Director	-	-	-	-	5	5	5000	Yes
Dr. Kausalya Santhanam	Independent Director	1	Strides Pharma Science Limited – Independent Director	2	1	5	5	1876	Yes
Mr. Rajendra Kumar Srivastava	Independent Director	1	Happiest Mind Technologies Limited – Independent Director	1	-	5	5	-	Yes
Mr. Rajiv Vijay Nabar	Independent Director	1	TAC Infosec Limited – Independent Director	2	-	5	5	-	Yes
Mr. Ankur Nand Thadani (Resigned: 22/07/24)	Non-Executive Director	1	DR. Agarwal's Health Care Limited – Nominee Director	3	1	2	0	-	NA

Name	Category	No. of other Directorship held in other public companies	Name of the other Listed entities holding Directorship / Designations	No. of Committee positions held in other public companies		No. of Board meetings during 2024-25		No. of shares held	Whether attended last AGM held on September 20, 2024
				Membership	Chairman-ship	Held	Attended during their tenure		
Mr. Arun Kumar Pillai	Non-Executive Director	2	Strides Pharma Science Limited – Executive Chairman Onesource Specialty Pharma Limited - Non- Executive Director	1	-	5	5	16,68,463	Yes
Mr. Kartheek Chintalapati Raju	Non-Executive Director	-	-	-	-	5	4	-	No
Mr. Poorvank Purohit (Resigned: 21/02/25)	Managing Director & CEO	-	-	-	-	5	5	49,000	Yes
Mr. Sandeep Shashikantha Rao (Appointed: 21/02/25)	Managing Director & CEO	-	-	-	-	NA	NA	-	NA
Mr. Mohan Muthunarayanan	Executive Director	-	-	-	-	5	5	9,000	Yes
Mr. Manish Gupta	Non - Executive Director	1	Jagson Pal Pharmaceuticals Limited - Managing Director	1	-	3	3	-	Yes

Note:

Number of other directorships include directorships in Public Limited Companies and excludes Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

The disclosure includes memberships and chairmanships in the Audit Committee and the Stakeholders Relationship Committee in public limited companies and excludes all other memberships and chairmanships in other committees.

None of the directors holds directorships in more than twenty companies including maximum limit of ten Public Companies, memberships in more than ten Committees in all Public Limited Companies excluding the committee memberships in Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 and chairmanships in more than five Committees across all listed companies in which he is a director as specified under Regulation 26(1) of the Listing Regulations.

None of the directors is related to any other Director in the Company. None of the Independent Directors serves as Independent Director in more than seven listed entities.

2.2. Key Board qualifications, expertise and attributes

The Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its committees. The Board members are committed to ensuring that the Board is in compliance with the highest standards of corporate governance.

The table below summarizes the key qualifications, skills, and attributes which are taken into consideration while nominating candidates to serve on the Board.

Definitions of director qualifications

Financial	Leadership of a financial firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation, and financial reporting processes, or experience in actively supervising a principal financial officer, principal accounting officer, auditor or person performing similar functions
Gender, ethnic, national,	Representation of gender, ethnic, geographic, cultural, or other perspectives that expand the Board's understanding of the needs and viewpoints of our customers, partners, employees, governments, and other stakeholders worldwide
or other diversity	Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks, and a broad perspective on global market opportunities

Global business	Extended leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning, and risk management. Demonstrated strengths in developing talent, planning succession, and driving change and long-term growth
Leadership	A significant background in pharma industry, resulting in knowledge, generate disruptive markets, and extend or create new business models
Pharma	Experience in developing, implementing, and challenging a plan of action designed
Strategy, Mergers, and acquisitions	to achieve the long-term goals of an organization, mergers & acquisitions and
Board service and	implementation, analyse the fit of a target with the Company's strategy and culture, accurately value transactions, and evaluate operational integration plans
Governance	Service on a public company board to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices
Sales and marketing	Experience in developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation

2.3. Key Board Qualifications.

Directors	Area of Expertise							
	Financial	Gender, ethnic, national, or other diversity	Global business	Leadership	Pharma	Strategy, Mergers and acquisitions	Board service and Governance	Sales and marketing
Mr. R. Ramakrishnan	✓	✓	✓	✓		✓	✓	
Mr. Rajendra Kumar Srivastava		✓	✓	✓	✓	✓	✓	
Mr. Rajiv Vijay Nabar	✓	✓	✓	✓	✓	✓	✓	
Dr. Kausalya Santhanam		✓		✓	✓	✓	✓	
Mr. Manish Gupta		✓	✓	✓	✓	✓	✓	✓
Mr. Arun Kumar Pillai		✓	✓	✓	✓	✓	✓	✓
Mr. Kartheek Chintalapati Raju		✓	✓	✓	✓	✓	✓	✓
Mr. Sandeep Shashikantha Rao		✓	✓	✓	✓	✓	✓	✓
Mr. Mohan Muthunarayanan		✓	✓	✓	✓	✓	✓	

2.4. Meetings of Independent Directors

Independent Directors of the Company met on January 24, 2025, without the presence of the Non-Independent and Executive Directors. The meeting of Independent Directors evaluates the performance of the Non-Independent Directors and Whole-time Directors, the Board as a whole, performance of the Chairperson of the Board and discuss aspects relating to the quality, quantity, and timeliness of the flow of information between the Company, the Management and the Board that is necessary for it to effectively and reasonably perform its duties.

2.5. Board Evaluation

As a part of the Annual Board Evaluation, detailed questionnaires were circulated to all the Directors. The Chairperson of the Board and the Chairman of the Nomination and Remuneration Committee (NRC) evaluated the Board's performance and that of its Committees. The Board conducted evaluation of Independent Directors which included performance of Directors and fulfilment of criteria as specified in SEBI (LODR) (Amendment) from time to time, and their independence from the management, where the independent directors did not participate.

2.6. Performance evaluation criteria for independent Directors/Directors

In terms of Schedule IV of the Act and rules made thereunder and provisions of Listing Regulations, The Company has established a robust framework for the performance evaluation of its independent directors. This evaluation process is guided by the Nomination and Remuneration Policy, which outlines specific criteria for assessing the effectiveness and contributions of independent directors on an annual basis. The criteria include evaluating their independence, adherence to ethical standards, and active participation in Board meetings. The performance evaluation also considers the quality of their insights, the extent of their engagement with the company's management, and their overall contributions to the Board's deliberations and decisions. A comprehensive questionnaire, aligned with these criteria, is used to systematically review the performance of independent directors, ensuring they fulfill their roles with the diligence and independence required to contribute effectively to the company's governance.

2.7. Details of Remuneration to directors:

i. Remuneration to Non-Executive Directors

The Non-Executive Directors (NED) are entitled receive sitting fee of ₹1,00,000/- each for attending each meeting of the Board and Audit Committee.

Except sitting fee payable to Non-Executive Directors, for attending the Board and Audit committee meetings, there is no other pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the Company.

Details of remuneration paid / payable to Executive Directors during FY 2024-25 is as under:

		Poorvank Purohit	M Mohan	Sandeep Shashikantha Rao	Total
		Apr 1,2024 to Feb 21, 2025, (₹ in Cr)	Apr 1, 2024, to Mar 31, 2025, (₹ in Cr)	Feb 21 2025, to Mar 31, 2025, (₹ in Cr)	
1	Gross Salary				
	Salary as per provision contained in Section 17(1) of the Income Tax Act, 1961*	2.14	1.54	0.35	**4.03**
	Value of perquisites under section 17(2) of the Income Tax Act, 1961	-	-	-	**-**
	Profit in lieu of Salary under section 17(3) of the Income Tax Act, 1961	-	-	-	**-**
2	Perquisite value of Stock Options	1.18	0.14	0.18	**1.50**
3	Sweat Equity				
4	Commission as percentage of profit				
5	Others (Bonus)				
	Total	**3.32**	**1.68**	**0.53**	**5.53**

*includes Company's contribution towards Provident Fund.

ii. Details of remuneration paid / payable to Non-Executive Directors during FY 2024-25 is as under:

S. No	Name of Directors	Particulars of Remuneration			
		Fee for attending Board / Committee meetings	Commission	Others	Total
		₹ Cr	₹ Cr	₹ Cr	₹ Cr
1	Mr. Ankur Nand Thadani	Nil	Nil	Nil	Nil
2	Mr. R. Ramakrishnan	0.10	Nil	Nil	0.10
3	Dr. Kausalya Santhanam	0.10	Nil	Nil	0.10
4	Mr. Rajendra Kumar Srivastava	0.10	Nil	Nil	0.10
5	Mr. Rajiv Vijay Nabar	0.10	Nil	Nil	0.10
6	Mr. Manish Gupta	0.03	Nil	Nil	0.03
7	Mr. Arun Kumar Pillai	Nil	Nil	Nil	Nil
8	Mr. Kartheek Chintalapati Raju	Nil	Nil	Nil	Nil
	Total	**0.43**	**Nil**	**Nil**	**0.43**

2.8. Familiarization programme for Independent Directors/ Non-Executive Directors

The Board members are provided with necessary documents/ brochures, reports and internal policies to enable them to familiarize with Company's procedures and practices. Periodic presentations are made at the Board Meetings on regulatory updates, roles and responsibilities as a Director of the Company, updates on industry in which the Company operates and business model of the Company. The details on familiarization programme is disclosed on the website of the Company at https://solara.co.in/investor-relations/independent-director-familiarisation-programme/

3. COMMITTEES OF THE BOARD

The Board has constituted the following Committees as prescribed under the Companies Act, 2013 and Listing Regulations:

a) Audit Committee

b) Nomination and Remuneration Committee

c) Stakeholders' Relationship Committee

d) Corporate Social Responsibility Committee

e) Risk Management Committee

3.1. Audit Committee

The Composition of the Committee and the details of the meetings attended by its members during the financial year are given below: -

Name	Designation	Category of Directorship	No. of Meetings held during the period in which the said member was on the Committee	Meetings attended
Mr. R. Ramakrishnan	Chairman	Independent Director	5	5
Mr. Rajendra Kumar Srivastava	Member	Independent Director	5	5
Mr. Rajiv Vijay Nabar	Member	Independent Director	5	5
Dr. Kausalya Santhanam	Member	Independent Director	5	5
Mr. Ankur Nand Thadani (resigned on 22/07/24)	Member	Non-Executive Director	2	0

The Committee met five (5) times during the period under review i.e., on May 29, 2024; July 22, 2024; October 21, 2024; January 24, 2025, and February 21, 2025. Attendance of members at the Committee Meeting is provided at above table. The meetings of the Audit Committee are also attended by Managing Director, Executive Director, Company Secretary & Chief Financial Officer of the Company along with the Statutory Auditors and Internal Auditors. Mr. S. Murali Krishna, Company Secretary, was the Secretary of Audit Committee up to May 15, 2025. From May 15, 2025, Ms. Pooja Jayakumar, Company Secretary, is the Secretary of Audit Committee.

Terms of reference of the Audit Committee:

Terms of reference of the Audit Committee covers the areas mentioned in Section 177 of the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II to the SEBI Listing Regulations.

Terms of reference of the Audit Committee, inter alia, includes the following:

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Examination of the Company's financial statement and the Auditor's Report on the same.
- Discuss and review, with the management and auditors, the annual / quarterly financial statements before submission to the Board for approval.
- Review of Management Discussion and Analysis of financial condition and results of operations.
- Recommend to the Board the appointment, reappointment, removal of the Statutory Auditors, fixation of audit fee and approval for payment for any non-audit services rendered by the Statutory Auditors.
- Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process.
- Review on regular basis the adequacy of internal audit function, the structure of the internal audit department, approval of the internal audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discuss with internal auditors any significant findings and follow up thereon.
- Review with the management, statutory and internal auditors, the adequacy of internal control systems and related matters.
- Review of management letters / letters of internal control weaknesses issued by Statutory Auditors / Internal Auditors.
- Review the appointment, removal, and terms of remuneration of the Internal Auditor/ Secretarial Auditor / Cost Auditor.
- Evaluation of internal financial controls and risk management systems.
- Scrutiny of Inter-Corporate loans and Investments.Consider and comment on rationale, cost-benefits and impact of schemes involving Merger, Demerger, Amalgamation, etc., on the company and its shareholders.
- Review and approval of Related Party Transactions.
- Reviewing the function of the Whistle Blower mechanism.
- Review compliance of provisions of Insider Trading Regulations and verify that systems for internal control are adequate and operating effectively, at least once in a financial year.

In addition, the Committee is also required to discharge such other roles / functions as envisaged under the Companies Act, 2013 and SEBI Listing Regulations.

3.2. NOMINATION AND REMUNERATION COMMITTEE

The Composition of the Committee and the details of the meetings attended by its members during the financial year are given below: -

Name of the Director	Designation	Category of Directorship	No. of Meetings held during the period in which the said member was on the Committee	Meetings attended
Mr. Rajendra Kumar Srivastava	Chairman	Independent Director	3	3
Mr. R. Ramakrishnan	Member	Independent Director	3	3
Dr. Kausalya Santhanam	Member	Independent Director	3	3
Mr. Rajiv Vijay Nabar	Member	Independent Director	3	3
Mr. Kartheek Chintalapati Raju	Member	Non-Executive Director	3	2

The Committee met three (3) times during the period under review i.e., on June 28, 2024; July 22, 2024; and February 21, 2025. Attendance of members at the Committee Meeting is provided at the above table. Mr. S. Murali Krishna, Company Secretary, was the Secretary of Audit Committee up to May 15, 2025. From May 15, 2025, Ms. Pooja Jaya Kumar, Company Secretary, is the Secretary of Audit Committee.

Terms of reference of the Nomination and Remuneration Committee:

Terms of reference of the Nomination and Remuneration Committee covers the areas mentioned in Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D (A) of the Schedule II to the SEBI Listing Regulations.

Terms of reference of the Nomination and Remuneration Committee, inter alia, includes the following:

- To periodically review the size and composition of the Board to ensure that it is optimally structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the company as a whole.
- To formulate a criteria for determining qualifications, positive attributes and independence of a director
- To formulate a criteria for evaluation of performance of independent directors and the Board.
- Committee to carry out evaluation of every director's performance.
- Committee to determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- To formulate a criteria and evaluate the performance of the Statutory committees of the Board.
- To devise a policy on Board diversity and assist the Board in ensuring Board nomination process, addresses diversity of gender, knowledge, experience and perspective.
- Identify persons who are qualified to become directors and who may be appointed as senior management personnel in accordance with the criteria laid down in the policy.
- To recommend to the Board the appointment and removal of directors and senior management personnel, in accordance with the criteria laid down in the policy.
- To recommend to the Board, a policy relating to remuneration of directors, key managerial personnel and senior management personnel.
- To establish and review plans relating to orderly succession for appointment of the Board, key managerial personnel and senior management personnel.
- To assist the Board of Directors in the Board's overall responsibility relating to Employee Stock Options Plans, including the drafting and administration of the company's ESOP and other incentive plans and the interpretation and adoption of rules for the operation thereof.
- To carry out any other function as may be mandated by the Board from time to time and / or enforced by any statutory notification, amendment, or modification, as may be applicable.

In addition, the Committee is also required to discharge such other roles / functions as envisaged under the Companies Act, 2013 and SEBI Listing Regulations.

Remuneration Policy

The Committee recommends the compensation package to the Executive Directors of the Company. The remuneration will include salary, perquisite, allowances, and commission. The remuneration policy is directed towards rewarding performance based on review of achievements. It is aimed at attracting and retaining high calibre talent. The Policy is available at the company's website at https://solara.co.in/investor-relations/policies-and-guidelines/.

3.3. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Composition of the Committee and the details of the meetings attended by its members during the financial year are given below: -

Name of the Director	Designation	Category of Directorship	No. of Meetings held during the period in which the said member was on the Committee	Meetings attended
Dr. Kausalya Santhanam	Chairperson	Independent Director	1	1
Mr. Kartheek Chintalapati Raju	Member	Non-Executive Director	1	1
Mr. Poorvank Purohit (Resigned w.e.f. 21/02/25)	Member	Executive Director (MD & CEO)	1	1
Mr. Sandeep Shashikantha Rao (Appointed w.e.f. 21/02/25)	Member	Executive Director (MD & CEO)	NA	NA

The Committee met once during the period under review i.e., on July 22, 2024. Attendance of members at the Committee Meeting is provided at the above table. Mr. S. Murali Krishna, Company Secretary, was the Secretary of Audit Committee up to May 15, 2025. From May 15, 2025, Ms. Pooja Jaya Kumar, Company Secretary, is the Secretary of Audit Committee.

Terms of reference of the Stakeholders' Relationship Committee:

Terms of reference of the Stakeholders' Relationship Committee covers the areas mentioned in Section 178(5) of the Companies Act, 2013 and Regulation 20 read with Part D (B) of the Schedule II to the SEBI Listing Regulations.

Terms of reference of the Stakeholders' Relationship Committee, inter alia, includes the following:

- To look into various aspects of interest of shareholders and other security holders of the company.
- To monitor and resolve grievances of security holders of the company including but not limited to complaints related to transfer/ transmission of shares, issue of new / duplicate share certificates, non-receipt of annual reports, non-receipt of declared dividends, general meetings, etc., received through the SEBI, Stock Exchanges or through SCORES and to ensure its timely and speedy resolution in consultation with the Registrar and Share Transfer Agent ("RTA").
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the RTA. .
- Review of various measures and initiatives taken by the Company relating to unclaimed dividend (including reducing the quantum of unclaimed dividend) and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the company.
- Formulation of policies and procedures as mandated by SEBI relating to stakeholder services from time to time for matters relating to security holders and related governance.
- To note the issue of share certificates or any other certificates issued in respect of any securities of the Company, in relation to dematerialization, re-materialization, splitting and consolidation of shareholding.
- To seek information from RTA from time to time.

In addition, the Committee is also required to discharge such other roles / functions as envisaged under the Companies Act, 2013 and SEBI Listing Regulations. Mr. S. Murali Krishna, who was the Company Secretary, was acting as the Compliance Officer of the Company upto May 15, 2025. W.e.f. May 15, 2025, Ms. Pooja Jayakumar, Company Secretary, became the Compliance Officer.

Shareholder Complaint details: No complaints were received from shareholders of the Company during the year ended March 31, 2025. The Company do not have any pending complaints or unsolved complaints during the financial year.

3.4. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Composition of the CSR Committee and the details of the meetings attended by its members during the financial year are given below: -

Name of the Director	Designation	Category of Directorship	No. of Meetings held during the period in which the said member was on the Committee	Meetings attended
Dr. Kausalya Santhanam	Chairperson	Independent Director	1	1
Mr. R. Ramakrishnan	Member	Independent Director	1	1
Mr. Ankur Nand Thadani (Resigned w.e.f. 22/07/24)	Member	Non-Executive Director	1	0
Mr. Poorvank Purohit (Resigned w.e.f. 21/02/25)	Member	Executive Director (MD & CEO)	1	1
Mr. Sandeep Shashikantha Rao (Appointed w.e.f. 21/02/25)	Member	Executive Director (MD & CEO)	NA	NA

The Committee met once during the period under review i.e., on May 29, 2024. Attendance of members at the Committee Meeting is provided at above table. Mr. S. Murali Krishna, who was the Company Secretary, was acting as the Compliance Officer of the Company upto May 15, 2025. W.e.f. May 15, 2025, Ms. Pooja Jayakumar, Company Secretary, became the Compliance Officer.

Terms of reference of the CSR Committee:

Terms of reference of the CSR Committee, inter alia, includes the following:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy ("CSR Policy") which shall indicate the activities to be undertaken by the Company in areas / subject as specified in Schedule VII of the Companies Act, 2013 and shall monitor the CSR Policy from time to time.
- Formulate and recommend to the Board an Annual Action Plan for the identified CSR Projects and recommend the amount of expenditure to be incurred on such activities.
- To ensure the disbursed funds are utilized for the purposes and in the manner approved. In this regard, Chief Financial Officer of the Company to provide confirmation to the Committee.
- Ensure that the Company is taking appropriate measures to undertake and implement CSR Projects successfully.
- The Committee, at its sole authority, may seek the advice of outside experts or consultants at the company's expense were judged necessary to discharge its duties and responsibilities.
- The Committee to seek services of independent agency to carry out impact assessments of CSR Projects as may be required.

In addition, the Committee is also required to discharge such other roles / functions as envisaged under the Companies Act, 2013.

At Solara, CSR initiatives help address socio-economic challenges in the realms of Health & hygiene, Community support and education. A detailed report on the CSR activities undertaken during the year, together with monitoring and spending is annexed to the Board's Report as **Annexure 6.**

3.5. RISK MANAGEMENT COMMITTEE

The purpose of the Risk Management Committee is to assist the Board in fulfilling its responsibilities with regard to the identification, evaluation, and mitigation of operational, strategic and environmental risks. The Risk Management Committee has the overall responsibility of monitoring and approving the Risk Policies and associated practices of the Company.

The Composition of the Committee is as follows: -

Name of the Director	Designation	Category of Directorship	No. of Meetings held during the period in which the said member was on the Committee	Meetings attended
Mr. Rajiv Vijay Nabar	Chairman	Independent Director	3	3
Dr. Kausalya Santhanam	Member	Independent Director	3	3
Mr. R. Ramakrishnan	Member	Independent Director	3	3
Mr. Rajendra Kumar Srivastava	Member	Independent Director	3	3
Mr. Poorvank Purohit (Resigned w.e.f. 21/02/25)	Member	Executive Director (MD & CEO)	3	3
Mr. Sandeep Shashikantha Rao (Appointed w.e.f. 21/02/25)	Member	Executive Director (MD & CEO)	NA	NA

The Committee met three (3) times during the period under review i.e., on May 29, 2024; October 21, 2024, and January 24, 2025. Attendance of members at the Committee Meeting is provided at above table. Mr. S. Murali Krishna, Company Secretary, was the Secretary of Audit Committee up to May 15, 2025. From May 15, 2025, Ms. Pooja Jayakumar, Company Secretary, is the Secretary of Audit Committee.

Terms of reference of the Risk Management Committee, inter alia, includes the following:

- To advise the Board in identification and managing the full range of risks the enterprise faces.
- Provide oversight during the design and implementation of a comprehensive risk management framework and common-sense approach to manage risks across the entire organization.
- Establish and communicate risk vision and philosophy, approve risk strategy, and establish risk appetite.
- Review and approve the Enterprise Risk Management ("ERM") framework of company on a periodic basis. The Committee shall review and approve the risk management culture, processes, and practices of the company.
- Monitor and review the exposures of the material risks and assess management preparedness to deal with the risk and associated events.
- Review and approve the ERM working plan and utilize risk for the enterprise's competitive advantage.
- Oversee and guide the development and implementation of ERM policies, procedures, guidelines.
- Overseeing internal and external risks faced by the Company including Financial, operational, sectoral, sustainability ("ESG"), information, cyber security risks or any other risks determined by the Committee.
- Advice the Board on all matters related to ERM. Engage other stakeholders in the risk management process when the need is identified. Facilitate communication of ERM information.
- Disseminate to the enterprise the upside of risk and the opportunities it can present, rather than the traditional perspective of "risk as hazard".
- Risk Management Committee may form and delegate authority to a sub-committee, which shall assist the Committee to project manage the ERM.
- To carry out any other functions as prescribed under the SEBI Listing Regulations and other Applicable Laws.

In addition, the Committee is also required to discharge such other roles / functions as envisaged under the Companies Act, 2013 and SEBI Listing Regulations.

4. SENIOR MANAGEMENT PERSONNEL(S) ("SMPS"):

The Company identified following under category of SMPs, pursuant to the provisions of Regulation 16(1)(d) and Schedule V of the SEBI Listing Regulations. Details of SMPs as on March 31, 2025, and the changes thereunder during the year under review are as follows:

S. No.	Name of SMP	Designation	Changes if any (Yes/No)	Nature of change and effective date
1.	Mr. Arun Kumar Baskaran	Chief Financial Officer	Yes	Resigned w.e.f. February 21,2025
2.	Dr. Hero Velladurai	Chief Scientific Officer	No	N.A.
3.	Mr. S. Murali Krishna	Company Secretary	No	N.A.
4.	Mr. V. Sundara Moorthy	Chief Quality Officer	No	N.A.
5.	Ms. Neeta Dani	Vice-President – Marketing	No	N.A.
6.	Mr. Ganesh Mukundan Sasikala	Vice-President – Marketing	No	N.A.
7.	Mr. Sarat Kumar Asuri	Chief Financial Officer (KMP)	Yes	Appointed w.e.f. February 21,2025
8.	Mr. Vishal Mathur	Chief Commercial Officer	Yes	w.e.f. February 21,2025
9.	Mr. S Murali Krishna	Company Secretary (KMP)	Yes	Retired on May 15, 2025
10.	Ms. Pooja Jaya Kumar	Company Secretary (KMP)	Yes	Appointed on May 15, 2025

Note: In line with Amendment of SEBI Listing Regulations, persons identified and designated as Key Managerial Personnel ("KMP"), other than the Board of Directors, shall also be considered as SMP.

5. GENERAL MEETINGS AND TRIBUNAL CONVENED MEETINGS HELD DURING THE PRECEDING THREE YEARS

The details of the General Meetings and Tribunal Convened Meetings held during the preceding three years and Special Resolutions passed therein are summarized as under:

S No	AGM / EGM	Date / Time	Venue	Special Resolutions passed
1.	AGM for FY ending March 31, 2022	August 25, 2022, at 9.30 am	Video Conference	Nil
2.	AGM for FY ending March 31, 2023	September 15, 2023, at 9.30 am	Video Conference	– Appointment of Mr. Poorvank Purohit as Managing Director and CEO.
3.	AGM for FY ending March 31, 2024	September 20, 2024 at 10.00 am	Video Conference	– Introduction and Implementation of "SOLARA EMPLOYEE STOCK OPTION PLAN -2024" – Extension of "SOLARA EMPLOYEE STOCK OPTION PLAN -2024" to Employees of Subsidiary Company(ies) of the Company.

5.1. Postal Ballot and E-voting

During the year under review i.e., FY 2024-25, the Company conducted one (1) Postal Ballot in which 1 (one) Special Resolution was approved by the members of the Company.

Mr. Preetham Hebbar (CoP No. 21431) of M/s. Preetham Hebbar & Co., Company Secretaries, was appointed as Scrutinizer for conducting the Postal Ballot/ e-voting process in a fair and transparent manner.

Notice of Postal Ballot was dated March 20, 2025, and the consolidated results of the same was approved on April 19, 2025.

Sr. No.	Particulars of the Resolution	Type of Resolution	No. of votes polled	Votes Cast in Favor (% to total votes polled)	Votes Cast against (% to total votes polled)	Invalid Votes (% to total votes polled)
1	Appointment of Mr. Sandeep Shashikantha Rao (DIN: 10838251) as Managing Director and Chief Executive Officer (Executive Capacity) of the Company	Special	1,79,30,176	1,79,25,875 constituting 99.98 %	4,301 constituting 0.02 %	-

6. MEANS OF COMMUNICATION

(a) The quarterly results are forthwith communicated to BSE Ltd. ("BSE") and National Stock Exchange of India Ltd. ("NSE") as soon as they are approved and taken on record.

(b) The results are published generally in Business Standard (English) and Pratahkal (Marathi) newspapers.

(c) The results and shareholding pattern of the Company are displayed on the website of the Company i.e., https://solara.co.in/investorrelations/. The official news releases are intimated to Stock Exchanges (BSE and NSE) and displayed on the website of the Company. i.e. https://solara.co.in/investor-relations/disclosures-to-stockexchanges-under-regulation-30-of-sebi-lodr

(d) The presentations made to analysts and investors are displayed on the website of the Company i.e., solara.co.in/investor-relations/investor-update/

(e) The Company conducts earnings call to interact with Investors / Analysts every quarter after the financial results are declared. The invite for the earnings call is notified in advance to the Stock Exchanges.

(f) All periodical compliance filings including shareholding pattern, corporate governance report, media releases, among others are filed electronically on NSE Electronic Application Processing System (NeAPS) and BSE Corporate Compliance & Listing Centre.

(g) Investors' complaints are also being processed through the centralized web base complaint redressal system of SEBI (SCORES). SCORES enables speedy and effective resolution of complaints filed therein.

(h) The Ministry of Corporate Affairs (MCA), Government of India and the Securities Exchange Board of India (SEBI) have permitted companies to conduct Annual General Meeting (AGM) through video conferencing (VC) or other audio-visual means (OAVM), subject to compliance of various conditions mentioned therein. Further, Companies are also permitted to share notices and reports only through electronic mode to those Members whose email ids are available with the Company/ Depositories/ RTA.

(i) In compliance with the provisions of MCA and SEBI Circulars, Notice of the Eighth AGM along with the Annual Report for FY 2024-25, are being sent only through electronic mode to those Members whose email ids are registered with the Company/ Depositories/ RTA. Solara's Annual Report is also available at https://solara.co.in/investor-relations/annual-reports/#annual.

7. GENERAL SHAREHOLDER'S INFORMATION

7.1. Annual General Meeting 2025

The Eighth Annual General Meeting of the Shareholders of the Company will be held on Thursday, September 25, 2025, at 10.30 a.m. through Video Conferencing (VC) / Other Audio-Visual Means as prescribed by the Ministry of Corporate Affairs and SEBI Listing Regulations. The details for participation in the meeting are detailed in the Notice convening the AGM.

7.2. Financial Calendar for the year 2025-26

The tentative dates of meetings of Board of Directors for consideration of quarterly financial results for the financial year 2025-26 are as follows:

Financial reporting for	Month / year
Quarter ending June 30, 2025	On or before second week of August 2025
Quarter ending September 30, 2025	On or before second week of November, 2025
Quarter ending December 31, 2025	On or before second week of February 2026
Quarter ending, March 31, 2026	On or before second week of May 2026

7.3. Unpaid / Unclaimed Dividends

In accordance with the provisions of Sections 124 and 125 of the Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) dividends not encashed / claimed within seven years from the date of declaration are to be transferred to the Investor Education and Protection Fund (IEPF) Authority.

The IEPF Rules mandate Companies to transfer shares of Members whose dividends remain unpaid / unclaimed for a continuous period of seven years to the demat account of IEPF Authority. The Members whose dividend / shares are transferred to the IEPF Authority can claim their shares / dividend from the Authority.

The Company had appointed Mr. S. Murali Krishna, Company Secretary, as the Nodal Officer of the Company under the provisions of IEPF. With effect from May 15, 2025, the Company appointed Ms. Pooja Jaya Kumar, Company Secretary as the Nodal Officer of the Company under the provisions of IEPF, the details of which are available on the website of the Company.

Reminder Letters sent and Notice published by the Company prior to transfer of shares to IEPF :

In accordance with the IEPF Rules, Companies are required to notify shareholders whose shares are due to be transferred to the Investor Education and Protection Fund (IEPF) at least 3 (three) months prior to the transfer. This notification must be sent to the shareholders' latest available address. Additionally, companies must publish a notice in a leading newspaper in English and regional language having wide circulation, to inform the concerned shareholders about the impending transfer. In addition to compliance with the above, the Company have been notifying the Shareholders about the due date for transfer of unclaimed dividends as well, so as to avoid transfer of shares to IEPF. In order to prevent the shares from getting transferred to IEPF, Shareholders, who have not claimed their dividends for the previous 7 (seven) years, are hereby requested to approach the Company/its RTA to claim the same, by complying with the necessary requirements.

It shall also be noted that the Company is in the process of transferring the unclaimed Shares which has been allotted pursuant to Composite Scheme of Arrangement between Solara Active Pharma Sciences Limited ("SAPSL" or "Solara" or "the Company"), Strides Pharma Science Limited [Formerly known as Strides Shasun Limited ("SSL")], Sequent Scientific Limited ("SESL") after duly considering the claims received from the claimants (unclaimed shareholders).

Due date for transfer of unpaid / unclaimed dividend/ Sale proceeds of fractional Shares to IEPF is as follows:

Financial Year Ending	Type of Dividend	Dividend Rate	Date of Declaration	Due date for transfer to IEPF
March 31, 2021	Final	30%	25.08.2021	01.09.2028
March 31, 2021	Interim	40%	11.11.2020	18.12.2027
March 31, 2020	Final	20%	04.08.2020	11.09.2027
March 31, 2019	Final	50%	14.08.2019	21.09.2026
Sale proceeds of fractional Shares August 14, 2018	NA	NA	NA	21.09.2025

*Arising on account of sale of fractional shares pursuant to the scheme of demerger of Strides and Sequent.

7.4. Share Transfer System

All queries and requests relating to share transfers/ transmission may be addressed to our RTA- Cameo Corporate Services Limited. Shareholders may reach out to the Company/ RTA for their queries and activities relating to Shares

Prohibition of physical transfer of shares.

Shareholders to note that effective April 1, 2019, SEBI has barred physical transfer of shares of Listed Companies and mandated transfers only through demat mode. In case of any request receives from an investor for issue of Duplicate Share Certificate, the Company issues Letter of Confirmation (LOC) as per the SEBI Circular dated December 12, 2024.

7.5. Dematerialization of Shares

The Company has established connectivity with both the Depositories viz. National Securities Depository Limited **("NSDL")** and Central Depository Services (India) Limited **("CDSL")** through the Registrar: Cameo Corporate Services Limited.

As on March 31, 2025, 99.95% of the paid-up share capital of the Company representing 48028474 shares are in dematerialized form and balance 0.05% representing 24548 shares of the Company are in physical form.

Your Company confirms that the entire Promoter's holdings are in dematerialized form and the same is in line with the directions issued by SEBI.

7.6. Shareholding Pattern of the Company as on March 31 2025.

Category	No. of Shares	% to total shareholding
Promoters	18231281	37.94
Mutual Funds	616107	1.28
Banks, Financial Institutions, Insurance Companies	1308	0.00
Foreign Portfolio Investors / FIIs	7029907	14.63
Non-resident Indians/Foreign Nationals/OCBs	536184	1.12
Bodies Corporates / NBFC	9310749	19.36
Others (including Indian Public, Clearing Members, Trusts, Funds - IEPF, AIF, Central & State Govt., etc.)	12327486	25.65
Total	**4,80,53,022**	**100.00**

7.7. Distribution of shareholding as on March 31, 2025:

Sl. No.	CATEGORY	No. of Holders	% of Total Holders	Shares
1	Between 1 - 5000	82497	99.4466	7947113
2	Between 5001 - 10000	228	0.2748	1648326
3	Between 10001 - 20000	101	0.1217	1460556
4	Between 20001 - 30000	32	0.0385	783287
5	Between 30001 - 40000	7	0.0084	251358
6	Between 40001 - 50000	11	0.0132	502482
7	Between 50001 -100000	24	0.0289	1549026
8	> 100000	56	0.0675	33910874
	Overall Total:	**82956**	**100**	**48053022**

7.8. Commodity price risk or foreign risk and hedging activities

The Company is not exposed to any commodity price risk. The details of the Foreign Exchange Risk and Company's hedging activities forms part of the Management Discussion and Analysis Report and the Notes to the Financial Statement.

7.9. Details on Location of Factories:

Active Pharmaceutical Ingredient (API)

Puducherry:	R.S. No. 33 & 34 Mathur Road, Periakalapet, Puducherry – 605 014.
Cuddalore :	A 1/B SIPCOT Industrial Complex, Kudikadu Village, Cuddalore – 607 005.
Mangalore:	Plot No.120 A & B, 36, 120P & 121, Industrial Area, Baikampady, New Mangalore - 575011
Mysore:	: Plot Nos. 253 & 254, Thandya Industrial Area, Thandavapura, Mysore, Karnataka – 571 302
Ambernath:	Plot No. N-39/ N-39-1, Anand Nagar, MIDC, Additional Ambernath, Ambernath (East), Mumbai 421506.
Vizag:	Plot No.3B & 3C, APIIC, APSEZ, Atchutapuram, Vishakapatnam - 531011

Research & Development Centre:

Chennai :	No. 27, Vandaloor Kelambakkam Road, Keelakottaiyur Village, Melakottaiyur PO, Chennai 600 127

7.10. Credit Ratings

The Credit Rating details of the Company are as follows for the financial year 2024-25:

Credit Rating Agency	Crisil Ratings Limited
Instrument	Credit Rating for ₹ 1484 Crores Bank Loan Facilities
(Long Term and Short Term)	
Long Term Rating	Crisil BBB/ Negative
Short term Rating	Crisil A3+

7.11. In case, the securities are suspended from trading, reason thereof

Not applicable, since the securities of the Company have not been suspended from trading.

7.12. Listing on Stock Exchanges and Stock Codes

The names of the Stock Exchanges at which the securities of the Company are listed, and the respective stock codes are as under:

S No	Name and Address of Stock Exchange	Security Listed	ISIN	Stock Code / Symbol
1	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.	Equity Shares	INE624Z01016, IN9624Z01022	541540, 890202
2	The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051	Equity Shares	INE624Z01016, IN9624Z01022	SOLARA, SO-LARAPP1

The Company has paid listing fees to all the above stock exchanges and there is no outstanding payment as on date of this report.

7.13. Outstanding GDRs / ADRs or warrants or any Convertible Instruments, conversion date and any likely impact on equity.

The Company has not issued any Global Depository Receipts or American Depository Receipts or any other convertible instruments, during the year under review

7.14. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act read with relevant rules framed thereunder, Mr. A. Mohan Kumar, Practicing Company Secretary, holding Membership No. FCS 4347 and C.P. No. 19145 was appointed as the Secretarial Auditor of the Company to carry out the Secretarial Audit for financial year 2024 - 25. A Secretarial Audit Report given by the Secretarial Auditor in Form No. MR-3 is annexed as to the Directors' Report which forms part of this Annual Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark for the financial year 2024-25.

a. Reconciliation of Share Capital Audit

The Company conducts a Share Capital Audit on a quarterly basis in accordance with requirements of Securities and Exchange Board of India (Depositories and Participants) Regulations 2018.

The Reconciliation of Share Capital Audit Report obtained from a Practicing Company Secretary, which has been submitted to the Stock Exchanges within the stipulated period, certifies that the Equity Shares of the Company held in the dematerialized form and in the physical form confirms the issued and paid-up equity share capital of the Company.

b. Annual Secretarial Compliance Report

The Company has undertaken an audit for the financial year 2024-25 for all applicable compliances as per SEBI Listing Regulations and Circulars/ Guidelines issued thereunder. The Annual Secretarial Compliance Report pursuant to Regulation 24A of SEBI Listing Regulations has been submitted to the Stock Exchanges within 60 days of the end of the financial year.

c. Compliance Certificate

In terms of Regulation 17(8) of the SEBI Listing Regulations, the Managing Director and the Chief Financial Officer of the Company have given Compliance Certificate to the Board on financial reporting and internal controls, as mentioned under Part B of Schedule II to the SEBI Listing Regulations, which is also annexed in this Annual Report.

8. OTHER AFFIRMATIONS AND DISCLOSURES

8.1. Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large

There are no materially significant related party transactions with its promoters, directors or management, their subsidiaries, or relatives etc., that may have potential conflict with the interests of the Company. Transactions with the related parties are disclosed in the financial statements in the Annual Report.

8.2. Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange(s) or SEBI or any statutory authorities, on any matter related to capital markets, during the last three years:

The Company has complied with the requirements of the Stock Exchanges, Securities and Exchange Board of India **("SEBI")** and other statutory authorities on matters relating to capital markets during the last 3 years. No penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any statutory authorities during the year under review.

However, the Company has paid a fine of ₹ 4,36,600 each to BSE and NSE for delay in filling the vacancy of Independent Directors during the period August 04, 2021, to October 16, 2021. The fine pertains to the December 2021 quarter which was paid on February 21 2023 to NSE and October 26, 2023 to BSE.

8.3. Details of establishment of Vigil Mechanism and Whistle-Blower Policy of the Company

Pursuant to provisions of Section 177(9) of the Act and SEBI Listing Regulations, the Company has established the Vigil Mechanism, as part of the Whistle Blower Policy, for the Directors and Employees to report concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct. None of the personnel of the Company has been denied access to the audit committee.

8.4. Web link where policy for determining 'material' subsidiaries is disclosed

The Company has formulated the policy for determining "Material Subsidiaries" which is uploaded on the website of the company. The Policy is available at the following link: https://solara.co.in/uploads/2023/07/Policy-for-determining-of-Material-Subsidiaries.pdf.

8.5. Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries

The Company has no material subsidiaries in terms of Regulation 16(1)(c) of the SEBI Listing Regulations whose income or net worth exceeds ten percent of the consolidated income or net worth respectively of the company and its subsidiaries in the immediately preceding accounting year.

8.6. Web-link where policy on dealing with related party transactions is disclosed

The Company has formulated policy for transacting with the related parties which is uploaded on the website of the company. The Policy is available at the following link: https://solara.co.in/uploads/2025/5/Solara-Policy-on-Related-Party-Transactions.pdf

8.7. Utilization of Funds

The Company has not raised any funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

However, the Company, vide its Letter of Offer dated May 09, 2024 offered upto 1,19,98,755 Equity shares of face value of ₹10/- each at a price of ₹ 375 per Equity share (including Share premium of ₹ 365 per Equity share) for an amount aggregating ₹ 449.95 crores to the existing shareholders of the Company on rights basis in the ratio of One Equity share for every three Equity shares held by the Equity shareholders on the record date i.e May 15, 2024. Rights issue has been done in accordance with Section 62(1)(a) of the Companies Act and other applicable laws and the Rights issue window was open from May 28, 2024 to June 11, 2024 for application. On June 19, 2024, Company allotted 1,19,98,755 partly paid - up equity shares on receipt of Application money of ₹ 131.25/- per equity share, which was aggregating to ₹157.48 Crores. The funds were fully utilized.

Below is the statement of Utilization of funds as of March 31 2025

Object	Funds Utilized (Amount in Crores)
Repayment or Pre-payment in full or part of certain outstandings Borrowings availed by the Company.	₹ 118.61
General Corporate Purpose	₹ 35.87

8.8. Certification from Practicing Company Secretary

The Company has obtained a certificate from Mr. A. Mohan Kumar, Practicing Company Secretary as required under Listing Regulations confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The Certificate has been Annexure to this report.

8.9. Where the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof

During the year under review, the Board has accepted all the recommendations made by various committees of the Board, which is mandatorily required.

8.10. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which the statutory auditor is a part

Details of fee paid to Statutory Auditors for financial year 2024-25 are given below:

Sl. No.	Name of the Entity	Name of the Auditors' Firm	Details of the Services	Amount (₹ In Lakhs)
1	Solara Active Pharma Sciences Limited	Deloitte Haskins & Sells LLP	Audit Services / Certifications	83.20
2	Chemsynth Laboratories Private Limited	R. Sundararaman & Co.	Audit Services / Certifications	0.32
	Total			**83.52**

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

The Company has in place a policy on Prevention of Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The disclosure pertaining to Sexual Harassment of Women at workplace is disclosed in the Board's Report. During the year under review, no complaints pertaining to sexual harassment were received and no complaint was pending as on March 31, 2025.

The following is the summary of the complaints received and disposed-off during the Financial year 2025:

a. number of complaints filed during the financial year - Nil

b. number of complaints disposed of during the financial year - Nil

c. number of complaints pending as on end of the financial year - Nil

8.12. Disclosure of Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount:

During the financial year ended March 31, 2025, there are no fresh loans or advances provided by the Company and its subsidiaries to firms/companies in which directors were interested.

8.13. Disclosure of Compliance of Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46:

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.

The Company also strives to adhere and comply with the discretionary requirements specified under Regulation 27(1) and Part E of the Schedule II of the SEBI Listing Regulations, as follows:

a) **The Board:** The Chairman of the Company is a Non – Executive Independent Director of the Company and is also allowed reimbursement of expenses incurred in performance of his duties. The Company also have in place a Woman Independent Director.

b) **Shareholder Rights:** The Company ensures that disclosure of all the information is made available to all the shareholders on a non-discretionary basis. Financial Performance are published in newspapers, uploaded on the Company's website https://solara.co.in/investor-relations/newspaper-publications/ and submitted to the Stock Exchanges (BSE & NSE), instead of sending to each household of the shareholders. Further, all significant events are also disclosed to the Stock Exchanges and published on the website of the Company, instead of sending to each household of the shareholders.

c) **Modified opinion(s) in Audit Report:** The Company already has a regime of unqualified financial statements with Unmodified Audit Opinions. Auditors have raised no qualification on the Financial Statements.

d) **Separate posts of Chairperson and the Managing Director or the Chief Executive Officer:** Separate Individuals hold the positions of Chairperson and MD & CEO. The Company's Chairperson is a Non-Executive – Independent Director.

e) **Reporting of Internal Auditor:** The Internal Auditor of the Company directly reports to the Audit Committee.

f) **Risk Management:** The Company has in place a Risk Management Committee. The Risk Management Committee's composition, roles and responsibilities are stated under the Committee's section forming part of this Report.

8.14. Compliance of the provisions of Regulation 26(6) of the Listing Regulations:

None of the Key Managerial Personnel, Director(s) and Promoter(s) of the Company has entered into any agreement for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

8.15.Declaration regarding compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct

This to inform that for the financial year ended March 31, 2025, all members of the Board and the Senior Management Personnel have affirmed in writing their adherence to the Code of Conduct adopted by the Company.

8.16. Disclosures with respect to demat suspense account/ unclaimed suspense account

Sl. No.	Particulars	No. of Shares/ Shareholders
1	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year-	1109 shareholders & 11440 shares
2	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	
3	Number of shareholders to whom shares were transferred from suspense account during the year;	2 Shareholders 99 shares
4	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year.	2 Shareholders 99 shares
	the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.	

8.17.Disclosure of certain types of agreements binding Listed Entities

The Company has not entered into such agreements and no such agreement which is required to be disclosed under clause 5A of paragraph A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Address and Contact Details for stakeholder's reference:

Registered Office:
9th Floor, Cyber One, Unit No. 902,
Plot No. 4 & 6, Sector 30A,
Vashi, Navi Mumbai - 400 703.
Tel: 91-22-27892924
E- mail id: investors@solara.co.in

Corporate Office & Address for Correspondence:
TICEL Bio Park, 6th floor,
Module No. 601, 602 & 603, Phase II - CSIR Road,
Taramani, Chennai, Tamil Nadu, India, 600113.
Tel/Fax : 91-44-44 47406200/ 47406190
E- mail id: investors@solara.co.in

Company Secretary, Compliance Officer & Nodal Officer:
Ms. Pooja Jaya Kumar
2nd Floor, Embassy Vogue, Palace Road,
Vasanth Nagar, Bangalore – 560052.
Tel : 080 46632102
Mail: Pooja.j@solara.co.in

Company's designated email id for Investor Complaints:
E- mail id: investors@solara.co.in

Company's Website
www.solara.co.in

Registrars & Share Transfer Agents:
Cameo Corporate Services Limited
Subramaniam Building, No.1 Club House Road,
Chennai – 600 002.
Contact Persons:
Mrs. Sreepriya K, Head-RTA & Company Secretary
Mr. Nagaraj V, Manager.
Tel/Fax : 91-44-28460390
E- mail: investor@cameoindia.com
Online Investors Portal- wisdom.cameoindia.com

For and on behalf of the Board of Directors

Sandeep Shashikantha Rao
Managing Director & CEO
DIN: 10838251

M Mohan
Whole Time Director
DIN: 03610282

Place: Bengaluru
Date: May 15, 2025

Corporate Governance Compliance Certificate

To

The Members,

Solara Active Pharma Sciences Limited.

I have examined the compliance of conditions of Corporate Governance by Solara Active Pharma Science Limited [CIN: L24230MH2017PLC291636] (hereinafter referred to as 'the Company'), for the year ended March 31, 2025 as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations.

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

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations, as applicable.

For **Mohan Kumar & Associates**

A. Mohan Kumar
Practicing Company Secretary
Membership Number: FCS 4347
Certificate of Practice Number: 19145
Peer Review Certificate Number: 2205/2022
UDIN:F004347G000345644

Place: Chennai.
Date: 15.05.2025

Annexure 3

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To

The Members,

'Cyber One', Unit No. 902, Plot No. 4 & 6,

Sector 30A, Vashi, Navi Mumbai - 400 703.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Solara Active Pharma Sciences Limited having CIN: L24230MH2017PLC291636 and having registered office at 'Cyber One', Unit No. 902, Plot No. 4 & 6, Sector 30A, Vashi, Navi Mumbai - 400 703 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications

(including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers,

I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs.

S. No.	Name of Director	DIN	Date of appointment at current designation	Original Date of appointment in Company
1.	Mr. Ramakrishnan Rajagopal	00161542	11/04/2023	11/04/2018
2.	Ms. Kausalya Santhanam	06999168	11/04/2023	11/04/2018
3.	Mr. Arun Kumar Pillai	00084845	17/10/2021	04/08/2021
4.	Mr. Kartheek Chintalapati Raju	02921819	15/09/2023	05/07/2023
5.	Mr. Rajendra Kumar Srivastava	07500741	18/01/2024	14/11/2023
6.	Mr. Rajiv Vijay Nabar	10383397	18/01/2024	14/11/2023
7.	Mr. Sandeep Shashikantha Rao	10838251	19/04/2025	21/02/2025
8.	Mr. Mohan Muthunarayanan	03610282	06/04/2024	14/02/2024
9.	Mr.Manish Gupta	06805265	20/09/2024	22/07/2024

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Mohan Kumar & Associates**

A. Mohan Kumar
Practicing Company Secretary
Membership Number: FCS 4347
Certificate of Practice Number: 19145
Peer Review Certificate Number: 2205/2022
UDIN: F004347G000346469

Place: Chennai.
Date: 15.05.2025

Business Responsibility and Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L24230MH2017PLC291636
2	Name of the Listed Entity	Solara Active Pharma Sciences Limited
3	Year of incorporation	2017
4	Registered office	'Cyber One', Unit No. 902, Plot No. 4 & 6, Sector 30A, Vashi, Navi Mumbai, Mumbai, Maharashtra, India, Pin code: 400703
5	Corporate address	TICEL BIO PARK., 6th floor Module No. 601, 602, 603, Phase II - CSIR Road, Taramani, Chennai, Tamil Nadu, India, Pin code: 600113
6	E-mail	investors@solara.co.in
7	Telephone	+91 44 47406200
8	Website	www.solara.co.in
9	Financial year for which reporting is being done	2024-2025
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited National Stock Exchange of India Limited
11	Paid-up Capital	40.25 Crores
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Ms. Pooja Jaya Kumar Company Secretary Ph: +91 44 43446700 / 080 46632102 Email: pooja.j@solara.co.in | Investors@solara.co.in
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The reporting boundary includes Indian Operations of Solara Active Pharma Sciences Limited on standalone basis. This consists of: · 6 manufacturing plants (Ambernath, Puducherry, Vizag, Mysuru, Cuddalore and Mangalore), 02 offices (Chennai and Bengaluru) and 01 R&D Center (Chennai). · 01 registered office in Mumbai is excluded from the reporting boundary. · Additionally, in the reporting period, the Company underwent operational restructuring in Vizag, resulting in reduction in resource consumption, changes in manpower data and environmental footprint.
14	Name of assurance provider	Not applicable
15	Type of assurance obtained	Not applicable

II. Products/services

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

Sl. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Active Pharmaceutical Ingredients	Design and manufacture commercial APIs across therapeutic categories, complex products, including polymer-based APIs	100%

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

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Active Pharmaceutical Ingredients	21001	100%

I. Operations

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

Location	Number of plants	Number of offices	Total
National	6	03 offices* and 01 R&D Center	9
International	0	0	0

* The 3 offices include a registered office in Mumbai which has not been considered as part of the reporting boundary since the environmental and social footprint is negligible relative to other locations

19. Markets served by the entity:

a	**No. of Locations**	
	Location	**Number**
	National (No. of States)	28
	International (No. of Countries)	70 countries worldwide
b.	**What is the contribution of exports as a percentage of the total turnover of the entity?**	58.54%
c.	**A brief on type of customers**	Generic and innovator pharmaceutical companies are our customers, and our core business is Active Pharma Ingredients (API).

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	1105	1009	91.3%	96	8.7%
2.	Other than Permanent (E)	9	7	77.8%	2	22.2%
3.	**Total employees (D + E)**	**1114**	**1016**	**91.2%**	**98**	**8.8%**
WORKERS						
4.	Permanent (F)	670	670	100%	0	0
5.	Other than Permanent (G)	1140	1038	91.1%	102	8.9%
6.	**Total workers (F + G)**	**1810**	**1708**	**94.4%**	**102**	**5.6%**

Note: All off-role workforce is classified as other than permanent workers

b. Differently abled Employees and workers:

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	1	0	0	1	100%
2.	Other than Permanent (E)	0	0	0	0	0
3.	**Total differently abled employees (D + E)**	**1**	**0**	**0**	**1**	**0**
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	**Total differently abled workers (F + G)**	**0**	**0**	**0**	**0**	**0**

21. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	9	1	11%
Key Management Personnel	3	0	0

*During the FY 2024-25, the Mr. Poorvank Purohit relinquished his position as Managing Director & Chief Executive Officer, and Mr. Sandeep Shashikantha Rao has been appointed the Managing Director & Chief Executive Officer.

**The Board consists of 03 whole-time directors out of 09.

**The Board of Directors include two Key Management Personnel as well: Mr. Sandeep Shashikantha Rao, Managing Director & Chief Executive Officer, and Mr. Mohan Muthunarayanan, Chief Operations Officer.

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

	FY 2024-25 (Turnover rate in current FY)			FY 2023-24 (Turnover rate in previous FY)			FY2022-23 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	31%	22%	30%	21%	28%	22%	22%	22%	22%
Permanent Workers	5%	-	5%	4%	-	4%	2%	-	2%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Chemsynth Laboratories Private Limited	Subsidiary	49%	No
2	Shasun USA Inc	Subsidiary	100%	No
3	Solara Active Pharma Sciences LTDA	Subsidiary	100%	No

VI. CSR Details

	Response
24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
(ii) Turnover (in ₹)	1,292.08 Cr.
(iii) Net worth (in ₹)	1,096.21 Cr.

Note: 1 Crore = 10 Million

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link	Current Financial Year (FY 2024-25)			Previous Financial Year (FY 2023-24)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	• Yes, the following policies have been developed and implemented for grievance redressal - Community-Grievance-Policy.pdf (solara.co.in), Solara_Whistle-Blower-Policy-1.pdf	0	0	-	0	0	-
Investors (other than shareholders)		0	0	-	0	0	-
Shareholders		0	0	-	0	0	-
Employees and workers	• Yes, there is a strong grievance redressal mechanism for shareholders & investors. The complaints are attended promptly by the Registrar & Share Transfer agent (RTA) and secretarial team. Stakeholder Relationship Committee of the Board oversees and looks into grievances not resolved in the specified time frame. Further, systems introduced by SEBI viz. SCORES AND Online Dispute Resolution (ODR) Mechanism has been put in place to ensure redressal of grievances of shareholders	0	0	-	0	0	-
Customers		33	7		34	5	-
Value Chain Partners		0	0	-	0	0	-
Other (please specify)		0	0	-	0	0	-

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

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Energy Management	O	Efficient Energy Management measures and transitioning to renewable energy sources facilitates reduction of operational expenses, a decreased environmental footprint and improved operational sustainability in the long run.	Not Applicable	**Positive:** Non-Renewable to renewable energy substitution and energy efficiency helps in reducing long-term energy costs.
2	Water Availability	O	Uninterrupted water availability is a critical requirement for API manufacturing and Solara treats it as an opportunity to continuously work towards optimizing fresh water consumption through goals setting, robust governance systems and investment in water recycling technology.	Not Applicable	**Positive:** Efficient water management practices can help avoid high operational costs for water procurement, and potential production downtime due to water shortages
3	Waste Management	R	Waste Management in API manufacturing units is a critical aspect considering the hazardous nature of waste generated. Improper disposal of these materials can lead to extensive damage to the ecosystem. The growing number of waste management regulations has made the process more complex and costly	Established internal targets and periodic monitoring system to improve year on year efficiency of waste management systems. Undertaken a commitment to reduce disposal to landfill by 20% and to reduce incinerable waste by 15% from the baseline year FY 2021- 22 and utilize it for coprocessing. The Company achieved 80% reduction in waste disposed to landfilling over its FY 2021-22 baseline. The Company achieved 89% reduction in waste disposed via incineration over its FY 2021-22 baseline.	**Negative:** Effective waste management and recycling programs requires significant investment. Non-compliance with waste disposal regulations can result in hefty fines, legal costs, and environmental cleanup expenses.
4	Health and safety	R	Material handling of hazardous chemicals can result in workplace accidents. Unhealthy, unsafe and hazardous work conditions may prove detrimental to the physical and mental well-being of the employees. This also poses a risk to the company's reputation and can lead to significant fines and legal liabilities.	1. Company commitment to maintain a robust health and safety system by identification and elimination of the causes of injuries and accidents. 2. Period monitoring mechanism and investigation procedures 3. Robust systems for hazard identification and mitigation to promote efficiency and higher productivity	**Negative:** There can be legal liabilities and substantial fines in case of an accident involving the company. A poor safety record can lead to higher insurance premiums and difficulty retaining and attracting talent due to fear of safety.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Policy Influence & regulatory compliance	R	Pharmaceutical business is a stringently regulated industry which is constantly evolving. Even a minor non-compliance to regulations can risk loss of reputation and business. It is critical to conduct proactive checks which is vital for adherence to regulatory requirements.	A robust control mechanism and stringent checks & balances in place to ensure adherence to all policies and regulatory requirements	**Negative:** Non-compliance to regulatory requirements may result in significant fines and high legal costs. Such non-compliances can also lead to reputational damage, affecting customer and investor relations and potentially losing business opportunities
6	Employee Recruitment, Development & Retention	O	The Pharmaceutical industry relies on highly skilled employees to develop new products, manage government regulations and commercialize new products. Companies that attract and retain employees despite a constrained talent pool may be better positioned to protect and enhance shareholder value	Not Applicable	**Positive:** Employee retention may result in saving costs for recruitment & training, and a low turnover rate can boost employee productivity.
7	Supply Chain Management	R/ O	**Risk:** Management of the supply chain quality is essential for protecting consumer health and corporate value. Biotechnology and pharmaceuticals entities that fail to ensure quality throughout their supply chains may be susceptible to lost revenue, supply disruptions and reputational damage. **Opportunity:** Disclosure of supply chain audit programs can provide investors with an understanding of how the company is protecting shareholder value	Created a Supplier Code of Conduct and committed to collaborate with Tier-1 suppliers in order to foster sustainable performance	**Negative:** Non-compliance, disruptions or violations in may lead to fines/penalties, delays in supply or increase in operational cost. **Positive:** The company's adherence to its responsible sourcing increases its environmental and social performance, and improvement in brand reputation due to sustainable supply chain management.
8	Business Ethics	O	Pharmaceutical business is subjected to various jurisdictional laws and regulations pertaining to bribery, corruption and health care fraud and abuse. Adherence to compliance requirements throughout global & domestic operational footprint and corporate disclosure of legal / regulatory fines & codes of ethics that govern their interactions with health care professionals may allow investors to monitor performance and instill trust.	Not Applicable	**Positive:** By ensuring compliance and following best practices, the company can avoid fines and build trust within customers. and stakeholders.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	https://solara.co.in/investor-relations/policies-and-guidelines								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	N	Y	Y	N	N	N
4. Name of the national and international codes/ certifications/labels/ standards (e.g., Foresat Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	International certifications ISO 45001:2018 and ISO 14001:2015 adopted by our Company at 4 sites (Cuddalore, Puducherry, Mangaluru and Ambernath)								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	· Improve usage of electricity generated from renewable sources from 27% to 40% by 2025 over 2021-22 baseline. · Reduced fresh water usage across all operations by 15% in 2025 over 2021-22 baseline. · Reduce waste disposal to landfill by 20% in 2025 over 2021-22 baseline. · Reduce Incinerable waste by 15% in 2025 over baseline of 2021-22 and put to good use in co-processing. · Develop a Zero Accident workplace								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	· The Company's total electricity mix comprises of 50% of renewable energy. · The Company achieved 20.8% reduction in freshwater consumption in the reporting period over its FY 2021-22 baseline. · The Company achieved 86% reduction in waste disposed to landfilling over its FY 2021-22 baseline. · The Company achieved 95% reduction in waste disposed via incineration over its FY 2021-22 baseline. · The Company recorded zero injuries and fatalities in the reporting period, meeting its target of ensuring a zero-accident workplace.								

Governance, leadership, and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

Solara places the highest priority to sustainability with a core belief that sustainable performance would be a strong business enabler and would bring competitive advantage. This report is a testimony of the Company's commitment to Sustainability in areas of Environment, Social, Governance (ESG). Sustainability has been an integral part of the business ever since the Company was formed as a separate Pure Play API company from the group company in year 2018. Solara believes in balanced growth in all aspects of business with the context of building a sustainable business and a sustainable world at large.

Solara places a strategic priority to integrate ESG into business operations through a systematic approach of identifying ESG priorities and establishing a sustainability roadmap for the company. The company is committed to consistently improve ESG performance and have developed medium term goals for 2025.

The Company continues to invest in renewable sources of energy and partner with companies undertaking group captive solar power projects. Solara is committed to reducing / compensating GHG emissions with renewable sources or other means of fuels and undertaking ZLD projects. The Company has also undertaken cost improvement programs such as increasing product yields and solvent recovery to boost efficiency and sustainability.

Besides sustainable performance within the sites, Solara has started to look beyond its operational sites at the supply chain performance. The Company has engaged supply chain partners for sustainability and take its commitment covering environmental, social and governance. Solara has been assessing the company sustainability performance with world renowned sustainability rating agency Eco Vadis from past five years and continue to show improvement in sustainability performance with significant increase in score for labor and human rights, maintaining good position in environment, sustainable procurement and ethics.

	Solara aims to integrate sustainability and sustainable performance into the business model as a business enabler and a core to way of work in line with the Company RITE values (Respect, Integrity, Transparency and Efficiency). The Company is committed to taking our sustainability performance to top quartile among all companies on EcoVadis platform and aim for silver medal rating in near term. Solara aims to be a leading pure play API company and contributing immensely for sustainability in the interest of future and future generation.
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	DIN: 10838251 Mr. Sandeep Shashikantha Rao Managing Director & CEO
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	No Note: All sustainability activities are overseen by the CEO.

10. Details of Review of NGRBCs by the Company:

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

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	N	N	N	N	N	N	N	N	N

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

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

SECTION C: PRINCIPLE WISE PERFORMANCE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	2	**Principles 1, 3 and 5:** Code of Conduct which includes business ethics, guidelines on conflicts of interest, equal employment opportunity, POSH, health and safety, among others	100%
Key Management Personnel	13	**Principles 1, 3, 5 and 8:** · Human Rights Policy · Code of Conduct · Child Labour policy · Anti bribery policy · Business Ethics & Integrity · Equal opportunity policy · Diversity & Inclusion · Employees Grievance and Escalation Management · Employees Disciplinary Action · Whistle blower · POSH · CSR	100%
Employees other than BoD and KMPs	13		100%
Workers	13		100%

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

   (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Category	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	-	-	-	-	-
Settlement	-	-	-	-	-
Compounding Fee	-	-	-	-	-
	Non-Monetary				
	NGBRC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (in INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	-	-	-	-	-
Punishment	-	-	-	-	-

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

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
-	-

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

Yes, we have an Anti-Bribery & Corruption Policy in place. We are dedicated to conducting business with integrity, honesty, and fairness, as outlined in this policy, which enforces a zero-tolerance approach to bribery and corruption. The policy applies to all our stakeholders, including employees, board members, contractors, consultants, service providers, affiliates, and global partners. It provides clear guidelines on ethical practices related to gifts, entertainment, travel, employment, political contributions, and third-party relationships, ensuring compliance with anti-corruption laws and the prevention of unethical practices. With reporting mechanisms, internal controls, and regular reviews in place, we monitor compliance and provide comprehensive training to employees to ensure effective policy implementation. Management retains the authority to amend or withdraw the policy as required.

Weblink: https://solara.co.in/investor-relations/policies-and-guidelines/

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

Category	FY 2024-25 (Current Financial year)	FY 2023-24 (Previous Financial year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest

Category	FY 2024-25		FY 2023-24	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

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

Not Applicable

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

Category	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Number of days of accounts payable	160	148

9. **Open-ness of business. Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:**

Parameter	Metrics	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Concentration of purchases	a. Purchases from trading houses as a % of total purchases	0%	0%
	b. Number of trading houses where purchases are made from	0%	0%
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0%	0%
Concentration of sales	a. Sales to dealers/ distributors as % of total sales	1.4%	6.0%
	b. Number of dealers / distributors to whom sales are made	3	5
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	100%	100%
Share of RPTs in	Purchases (Purchases with related parties/ Total Purchases)	0%	0.02%
	Sales (Sales to related parties/ Total Sales)	17.6%	9.5%
	Loans & Advances (Loans & Advances given to related parties/ Total Loans & Advances)	0%	7.5%
	Investments (Investments in related parties/ Total Investments)	0%	88.1%

Leadership Indicators

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

   Yes, we have implemented processes to prevent and manage conflicts of interest involving our board members through our Code of Conduct and Ethics for Board of Directors. Our directors are required to act in our best interests and promptly disclose any actual or potential conflicts to the Board, such as ownership in competing companies, participation in joint ventures, or employment with competitors. Any transactions involving conflicts can only proceed with express approval from the Board.

   Weblink: Code of Conduct and Ethics for Board of Directors

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators

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

	FY 2024-25	FY 2023-24	Details of improvements in environmental and social impacts
R&D	8.0%	22.9%	Expenses related to process improvements to reduce carbon footprint
Capex	4.0%	14.4%	Capital expenditure towards process improvement to reduce carbon footprint and towards health & safety measures.

2. **A. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**
   B. If yes, what percentage of inputs were sourced sustainably?

   A. Yes, we promote sustainable sourcing and encourage our suppliers and vendors to embrace moral, accountable, and sustainable practices in their operations. We have developed a Sustainable procurement policy that sets out fundamental values and integrity levels of business conduct and a Vendor Code of Conduct which covers various aspects of ESG, such as compliance with all applicable environmental laws and regulations, labor and human rights & antibribery, anti-corruption, data protection and data privacy.

   B. In FY 2024-25, 80% of inputs were sourced sustainably through suppliers' Compliance to Solara's Vendor Code of Conduct.

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

Waste Type	Waste management procedure in place
Plastic waste (including packaging)	Plastic waste is managed in accordance with Pollution Control Board (PCB) regulations and is disposed of through authorized recyclers at each site. The generation and disposal of plastic waste are meticulously tracked.
E-waste	E-waste is securely disposed of through authorized recyclers following the establishment of an agreement and the collection of all necessary legal documents.
Hazardous Waste	Hazardous waste is securely disposed of by authorized agencies, only after thorough assessment and collection of all required legal documents to ensure safe disposal.
Other Waste	All other wastes are sent to authorized waste disposal agencies.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, as per the Extended producer guideline our company falls under Importer category. However, majority of our sites are Export Oriented Units and same are exempted from fulfilling EPR obligations.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of the product/service	% of total turnover contributed	Boundary for which the life cycle perspective/ assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link
21001	Ibuprofen	20.9%	Cradle to Grave	Yes	No
	Gabapentin	6.6%	Cradle to Grave	Yes	No

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product/Service	Description of the risk/concern	Action Taken
Ibuprofen	The life cycle assessment of Ibuprofen evaluates impact categories such as global warming, ozone depletion, acidification, eutrophication, water consumption, land use, and ecotoxicity within a cradle-to-product distribution boundary. Emissions are primarily attributed to raw material extraction (79%), manufacturing (20%), raw material transportation (1%), and product distribution (0%). The highest emissions are generated during raw material extraction, with Aldehyde having the greatest impact, followed by sodium di-chromate, sulphuric acid, acetone, and activated carbon.	Initiated process development to transition from conventional drug synthesis, processing, and manufacturing techniques to greener alternatives that are cost-effective, sustainable, environmentally friendly, and economically viable.
Gabapentin	The life cycle assessment of Gabapentin highlights significant environmental impacts across categories such as global warming, ozone depletion, acidification, eutrophication, water consumption, land use, and ecotoxicity within a cradle-to-grave system boundary. The assessment reveals that raw material extraction generates the highest emissions, with sodium hypochlorite and tributyl amine identified as the most environmentally impactful substances.	The process development is currently in progress.

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

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

Category	Total (A)*	% Of employees covered by									
		Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care Benefits	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent Employees											
Male	1009	1009	100%	1009	100%	-	-	1009	100%	0	-
Female	96	96	100%	96	100%	96	100%	-	-	0	-
Total	**1105**	**1105**	**100%**	**1105**	**100%**	**96**	**8.7%**	**1009**	**91.3%**	**0**	**-**
Other than Permanent Employees											
Male	7	0	-	0	-	-	-	0	-	0	-
Female	2	0	-	0	-	0	-	-	-	0	-
Total	**9**	**0**	**-**	**0**	**-**	**0**	**-**	**0**	**-**	**0**	**-**

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

Category	Total (A)	% Of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	670	670	100%	670	100%	-	-	670	100%	0	0
Female	0	-	-	-	-	-	-	-	-	-	0
Total	**670**	**670**	**100%**	**670**	**100%**	**-**	**-**	**670**	**100%**	**0**	**0**
Other than Permanent Employees											
Male	1038	0	-	0	-	-	-	0	-	0	-
Female	102	0	-	0	-	0	-	-	-	0	-
Total	**1140**	**0**	**-**	**0**	**-**	**0**	**-**	**0**	**-**	**0**	**-**

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

Parameter	FY 2024-25	FY 2023-24
Cost incurred on wellbeing measures as a % of total revenue of the company	1.2%	1.5%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2024-25			FY 2023-24		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI*	1.1%	0%	Y	3.5%	0%	Y

*The percentage coverage includes only those employees and workers who are covered or entitled under ESI.

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes. Solara ensures that its employees with disabilities are treated at par with other employees and also ensures non-discrimination, provides equal opportunity and ensures their accessibility to the work locations. Company premises are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes, we have an Equal Opportunity Policy in line with the Rights of Persons with Disabilities Act, 2016. The policy ensures a merit-based, transparent selection process free from bias, and provides necessary facilities, amenities, and training to empower differently abled professionals to perform their duties effectively. Weblink to the policy: https://solara.co.in/investor-relations/policies-and-guidelines/

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

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

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

Category	Yes/ No (If yes, then give details of the mechanism in brief)
Permanent Workers	Yes, we have the following grievance redressal mechanism for our employees and workers: · Representation through recognized union representatives · Standing Orders · Whistle Blower mechanism · Reporting mechanism under POSH · Grievance redressal system
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

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

Category	FY 2024-25			FY 2023-24		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of associations or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of associations or Union (D)	% (D/C)
Total Permanent Employees	1105	0	-	1756	0	-
Male	1009	0	-	1609	0	-
Female	96	0	-	147	0	-
Total Permanent Workers	670	670	100%	705	705	100%
Male	670	670	100%	704	704	100%
Female	0	-	-	1	1	100%

8. **Details of training given to employees and workers:**

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	1016	817	80%	817	80%	1609	954	59%	1392	86%
Female	98	66	67%	66	67%	150	68	45%	103	69%
Total	**1114**	**883**	**79%**	**883**	**79%**	**1759**	**1022**	**58%**	**1495**	**85%**
Workers										
Male	1708	1708	100%	1055	62%	1702	1573	92%	1682	99%
Female	102	102	100%	31	30%	103	103	100%	103	100%
Total	**1810**	**1810**	**100%**	**1086***	**60%**	**1805**	**1676**	**93%**	**1785**	**99%**

Note: As a part of our procedures, all the other than permanent employees and workers are trained in all safety-related and skill-related trainings before deployment in their respective roles.

*Skill upgradation trainings are provided to all workers engaged in manufacturing processes and shopfloor.

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

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	1016	1009	99%	1609	1551	96%
Female	96	96	100%	147	137	93%
Total	**1,112**	**1105**	**99%**	**1756**	**1688**	**96%**
Workers*						
Male	1708	670	39%	704	704	100%
Female	102	0	-	1	1	100%
Total	**1810**	**670**	**37%**	**705**	**705**	**100%**

Note: The above data has been reported for only permanent employees and workers since performance reviews are not applicable for other than permanent employees and workers.

*For the permanent workers, performance and related reviews are covered under the Long Term Settlement Agreements.

10. Health and safety management system:

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Yes, a robust occupational health and safety management system has been implemented at all our locations. 4 of our manufacturing sites i.e., Cuddalore, Puducherry, Mangaluru and Ambernath are certified for ISO 45001 and ISO 14001.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

We prioritise process safety by systematically identifying hazards, assessing risks, and implementing controls to safeguard employees, stakeholders, and the environment.

Key processes include:

- Hazard Identification & Risk Management: Conduct regular assessments of hazardous materials, processes, and non-routine tasks.
- Safe Procedures: Develop and update procedures for routine and emergency operations.
- Management of Change: Evaluate safety impacts of operational or organizational changes and train personnel accordingly.
- Preventive Maintenance: Perform routine inspections and maintenance to ensure equipment reliability.
- Training & Competency: Provide regular refresher training for employees and contractors.
- Incident Management: Investigate safety incidents and near misses, identify root causes, and implement corrective measures.
- Emergency Response: Maintain an effective emergency plan in collaboration with local authorities.
- Audits and Compliance: Conduct audits to ensure adherence to regulations and standards.
- Performance Monitoring: Track key performance indicators (KPIs) to continually improve process safety.

c. **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Yes, We have well-established Standard Operating Procedures (SOP) for employees to identify and report on work-related hazards and the subsequent steps to mitigate them. In addition, we train all our employees and workers with occupational health and safety modules. The training modules cover aspects of the methodology to identify work-related hazards, analyse the risks associated with it and take subsequent steps to mitigate them. During the safety and emergency evacuation drills, employees are trained in dealing with emergency equipment such as fire hydrant, firefighting system, leak and spill control procedures, safety alarms among others. In addition, the proficiency of employees is periodically tested in dealing with the emergency situations. The practical trainings and online safety modules equip the employees with right procedures of reporting work-related hazards and the steps to remove themselves from such situations. There are drop boxes at various locations in the site, so that employees can immediately report unsafe act, unsafe working condition, and near miss.

d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes, we provide non-occupational medical and healthcare services to our employees and workers. Further, we ensure the provision of medical insurance to all employees and workers. With the endeavor to promote physical and mental wellbeing for all the employees, we have designed comprehensive health programs which promote healthy lifestyle practices. Some of the examples of health programs and services offered to the employees are wellness sessions, annual health check-ups, distribution of health drinks, etc.

11. **Details of safety related incidents, in the following format**

Safety Incident/Number	Category	FY 2024-25	FY 2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0.29
	Workers	0	2.93
Total recordable work-related injuries	Employees	0	1
	Workers	0	14
No. of fatalities	Employees	0	0
	Workers	0	2
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	1
	Workers	0	1

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

- We embed the guidelines and principles of ISO 45001:2018, OSHA standards, Factories Act and other state-level regulatory requirements within our Environment Health and Safety (EHS) management systems.
- The EHS policy advocates the provision of a safe working environment to all the employees, contractors, sub-contractors, visitors, and the neighboring communities. We undertake periodic internal and external audits to assess the safety practices and procedures in alignment with the EHS management system and the ISO 45001:2018 guidelines.
- As part of the auditing procedure, we recognise the critical areas which require immediate corrective action. The safety incidents and hazards are investigated to determine the root cause, and subsequently, corrective action plans are laid out to prevent the occurrence of similar incidents in the future. Further, as part of the EHS management system, we provide safety trainings through modules and safety drill practices to all our employees and workers. The safety training programs enable the development of a strong foundation among the workforce, in terms of their ability to identify, mitigate and prevent risks pertaining to Occupational Health and Safety.
- Safety committee meeting is periodically conducted with management employees and workers to identify the workplace issues and to mitigate the risk of workplace injuries and illnesses.
- Adequate safety signages, caution boards, Do's & Don'ts and safety instruction boards are displayed in all locations.
- We endeavor to prevent negative health impact on the employees through various health awareness sessions, provision of medical facilities and medical insurance benefits.
- We provide voluntary health promotion services such as lifestyle counselling, stress management sessions, nutritional awareness campaigns among others for inculcating healthy lifestyle practices.

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

Category	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	0	0	-	0	0	-
Health and Safety	0	0	-	0	0	-

14. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	75%
Working conditions	75%

15. **Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**
While no safety-related incidents on significant concerns and risks were recorded, we ensure corrective actions are undertaken to mitigate any foreseeable and unforeseeable risks.

We have the following corrective actions in place, in case significant concerns arise:

- Hazard identification and Risk assessment and Job safety analysis has carried out for all critical activities.
- All locations has identified the significant risk activities, concerns arising from assessment of Health & safety practices are addressed accordingly control measures has been taken by implementing necessary Engineering & Administrative controls.
- Training needs for employees has been identified, and annual training calendar has been prepared.
- Risk Based Process Safety Management has been implemented and monitored at all the locations to prevent intended release of chemical.
- Corporate EHS guideline and Procedures is established for all activities and is reviewed periodically.
- Periodic audit and inspection is carried out on all critical equipment and potable tools & equipment.
- Preventive maintenance is performed for all equipment, and testing and calibration is performed for all safety devices such as pressure/ vacuum gauge, safety relief valve, NRV, control / ON/Off valves, Pressure reducing valves etc.,
- Management of Change process is in-place to assess the hazard associated with the change.
- Leadership rounds are regularly performed by site leadership team to identify the unsafe acts & conditions.
- Identification & Reporting of Near miss by Employees is in place and 100% investigation of all near miss is conducted.
- Investigation of all incidents and 100% implementation of all corrective action. Investigation reports and its learnings are shared across all Solara sites for deployment of corrective action to prevent similar incident. Also, effectiveness is checked during the safety inspection / audit.
- Personal Protective equipment (PPE) compliance is monitored through strict supervision.
- Internal audits of Solara Units at site level are conducted on a periodic basis. Corrective and preventive measures are taken based on the findings.
- Detailed investigations are carried out for all accidents to identify the root causes and to understand the measures required to prevent recurrence.
- Accident investigation findings with corrective and preventive measures form part of the report presented to the Safety Committee on monthly basis, site ORM and to the Board each quarter. The learnings from all accidents are disseminated across the organization at periodic intervals and formal compliance is obtained.

Leadership Indicators

1. **Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

   A. Employees – Yes

   B. Workers – Yes

2. **Provide the measures undertaken by the entities to ensure that statutory dues have been deducted and deposited by the value chain partners.**
   To ensure that the statutory dues as applicable within its remit, are deducted and deposited by the value chain partners in accordance with relevant regulations through constant monitoring of available tools and the documentary proofs from the value chain partners. We expect our value chain partners to uphold business responsibility principles and values of transparency and accountability.

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

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators

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

   Core stakeholders are individuals, groups, or institutions that contribute value to a business or are significantly impacted by its decisions. We identify both internal stakeholders, such as employees and leadership, and external stakeholders, like regulators, investors, suppliers, customers, and the community, as essential components of its operations.

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

Stakeholder Group	Whether identified as vulnerable and marginalized group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (annually, half yearly, quarterly, others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	· Intranet Portal · Functional and cross-functional committees · Leader's talk · Regular Employee Communication Forums	On a regular basis	We engage with employees through key initiatives, including prioritizing benefits for their well-being, offering learning and development programs, ensuring workplace safety, conducting performance reviews for career growth, and providing regular business updates to foster transparency and collaboration.
Customers	No	· Customer Satisfaction Survey · Customer meets · Digital/ telephonic Interactions	On a regular basis	We engage with customers by actively seeking feedback, addressing their needs, and resolving open issues promptly to ensure satisfaction and build trust. Open communication helps improve products and services while fostering long-term relationships.
Suppliers and Vendors	No	· Supplier and Vendor meets · Face-to-face and electronic correspondence · Digital/ · telephonic Interactions	Half yearly	We engage with suppliers and vendors through open issue resolution, performance assessments, and recognition activities to foster collaboration and enhance efficiency. Engagement also includes discussions on sustainability parameters, ensuring alignment with environmental and social responsibility.
Investors / Shareholders	No	Email, newspaper advertisement, website, Annual General Meetings, disclosures to stock exchanges and investor meetings / calls / conferences	Need based and Quarterly calls	We engage with investors and shareholders by providing regular updates on performance, strategy, growth, and opportunities while ensuring transparency. It is also committed to promptly addressing grievances to build trust and maintain strong relationships.
Community	No	· Physical meetings · Digital interactions	Concurrent /need basis	We engage with the community through impactful CSR initiatives focused on development and sustainability. It also ensures prompt grievance redressal to address community concerns and build strong, positive relationships.
Regulatory and government bodies	No	· Physical meetings · Digital communications · Through submissions	On a need basis	We engage with regulatory and government bodies through policy advocacy and providing inputs on regulations that impact its operations. This ensures compliance and supports its core business activities of development, manufacturing, and sales while fostering collaborative relationships.

Leadership Indicators

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

   Regular consultations are conducted with various stakeholders as needed through our functional and plant heads, ensuring that diverse perspectives on economic, environmental, and social issues are collected. Crucial feedback received during these consultations is systematically reported to the board, where it undergoes thorough assessment and consideration for potential action, thereby aligning stakeholder insights with our strategic objectives and operational improvements.

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

   Yes, we have implemented a policy dedicated to stakeholder management; however, there have been no recorded instances or significant issues reported during the current reporting period.

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

   Throughout the current reporting period, no concerns have been raised by vulnerable or marginalized stakeholder groups.

Principle 5: Businesses should respect and promote human rights.

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	1105	1105	100%	1756	1756	100%
Other than permanent	9	9	100%	11	11	100%
Total Employees	**1114**	**1114**	**100%**	**1767**	**1767**	**100%**
Workers						
Permanent	670	670	100%	705	705	100%
Other than permanent	1140	1140	100%	1100	1100	100%
Total Workers	**1810**	**1810**	**100%**	**1805**	**1805**	**100%**

Note: We ensure human rights training of all the employees and all employees are aware of the board-approved human rights policy available on Company website Human_Rights_Policy.pdf.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2024-25					FY 2023-24				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F/ D)
Employees										
Permanent	**1105**	**0**	**-**	**1105**	**100%**	**1756**	**0**	**-**	**1756**	**100%**
Male	1009	0	-	1009	100%	1609	0	-	1609	100%
Female	96	0	-	96	100%	147	0	-	147	100%
Other than Permanent	**9**	**0**	**0**	**9**	**100%**	**11**	**0**	**-**	**11**	**100%**
Male	7	0	0	7	100%	8	0	-	8	100%
Female	2	0	0	2	100%	3	0	-	3	100%
Workers										
Permanent	**670**	**0**	**-**	**670**	**100%**	**705**	**0**	**-**	**705**	**100%**
Male	670	0	-	670	100%	704	0	-	704	100%
Female	0	-	-	-	-	1	0	-	1	100%
Other than permanent	**1140**	**769**	**67%**	**371**	**33%**	**1100**	**1100**	**100%**	**0**	**-**
Male	1038	710	68%	328	32%	998	998	-	0	-
Female	102	59	58%	43	42%	102	102	-	0	-

3. **Details of remuneration/salary/wages, in the following format:**

a. **Median remuneration / wages:**

	Male		Female	
	Number	**Median remuneration/ salary/ wages of respective category**	**Number**	**Median remuneration/ salary/ wages of respective category**
Board of Directors (BoD)*	03	INR 3,50,44,996	01	Not a whole-time director
Key Management Personnel	03	INR 60,00,004	0	-
Employees** (other than BoD and KMPs)	1,004***	INR 7,59,451	96***	INR 5,73,159
Workers**	670	INR 8,63,464	0	-

*Includes only whole-time directors i.e., 03 (all male).

**Includes permanent employees and permanent workers.

***Out of total 1,105 permanent employees, 05 KMPs are excluded including 02 KMPs who relinquished their positions in the reporting period. Therefore, the figures disclosed for permanent employees exclude 05 KMPs (all male).

b. **Gross wages paid to females as % of total wages paid by the entity, in the following format:**

	FY 2024-25	FY 2023-24
Gross wages paid to females as % of total wages*	4.8%	4.3%

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

Yes, the Head - HR is the designated authority for addressing human rights impacts or concerns.

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

Process for grievance redressal has been detailed in Employee Disciplinary Action Policy

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

Category	FY 2024-25			FY 2023-24		
	Filed during the year	**Pending resolution at the end of year**	**Remarks**	**Filed during the year**	**Pending resolution at the end of year**	**Remarks**
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/ Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

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

	FY 2024-25	FY 2023-24
Total complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employee/ workers	0	0
Complaints on POSH upheld	0	0

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

We are committed to ensuring that no employee who brings forward a harassment concern is subject to any form of retaliation. Any retaliation will be subject to disciplinary action. Through the Code of Conduct and defined polices, we ensure that the victim and/or witnesses are not victimized or discriminated against while dealing with complaints of sexual harassment.

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

No, human rights requirements are not explicitly incorporated into our business agreements and contracts. However, it is explicitly outlined that all parties engaged in our business dealings are expected to adhere to applicable laws, including those pertaining to human rights obligations.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

11. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**
    Not Applicable

Leadership Indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.**
   Not Applicable

2. **Details of the scope and coverage of any Human rights due- diligence conducted.**
   Not Applicable

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**
   Yes, we have an Equal Opportunity, Diversity and Inclusion Policy which promotes a fair and transparent work environment based on diversity and inclusion of all people, including people with disability. Our premises are also accessible to differently abled visitors as per the requirements of the Rights of Persons with Disabilities Act, 2016. The offices include disabled friendly lifts, washrooms and ramps, etc. to provide an accessible and comfortable work environment to persons with disabilities.

Principle 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

	FY 2024-25	FY 2023-24
From renewable sources		
Total electricity consumption (A)	13,95,46,417	14,00,05,515
Total fuel consumption (B)	63,00,09,570	72,02,87,457
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	76,95,55,986	86,02,92,972
From non-renewable sources		
Total electricity consumption (D)	14,19,22,020	21,93,27,807
Total fuel consumption (E)	3,76,78,392	15,40,72,727
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	17,96,00,412	37,34,00,534
Total energy consumed (in MJ) (A+B+C+D+E+F)	**949156399**	**1,23,36,93,506**
Energy intensity per rupee of turnover (MJ/₹) (Total energy consumed / Revenue from operations)	0.074	0.096
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (MJ/$) (Total energy consumed/ Revenue from operations adjusted for PPP)	1.53	1.96#
Energy intensity in terms of physical output (MJ/MT)	**1,93,468**	**1,74,283**

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

The intensity adjusted for PPP has been restated following the guidelines set forth in SEBI's circular dated December 20, 2024, which outlines Industry Standards Forum guidance for BRSR Core. The PPP factor has been sourced from IMF database. https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**
   Not applicable. There are no sites/facilities that have been identified as Designated Consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. **Provide details of the following disclosures related to water, in the following format:**

	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	39,383	43,878
(iii) Third party water (Municipal water supplies)	2,74,337	3,40,105
(iv) Seawater / desalinated water	0	0
(v) Others	3,757	13,297
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	3,17,477	3,97,280
Total volume of water consumption (in kilo litres)	3,16,999	3,88,020
Water intensity per rupee of turnover (KL/₹) (Total water consumed / Revenue from operations)	0.00002469	0.00003010*
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (KL/$) (Total water consumed/ Revenue from operations adjusted for PPP)	0.0005102	0.0006150#
Water intensity in terms of physical output (KL/MT)	64.61	54.82

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

*In the previous year FY 2023-24, water intensity figures were reported in milliliters, whereas in this year, we will be following KL/₹and KL/$ for intensity calculations for revenue and revenue adjusted for PPP.

#The intensity adjusted for PPP has been restated following the guidelines set forth in SEBI's circular dated December 20, 2024, which outlines Industry Standards Forum guidance for BRSR Core. The PPP factor has been sourced from IMF database. https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC

4. **Provide the following details related to water discharged:**

	FY 2024-25	FY 2023-24
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) To Groundwater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third parties	479	9,260
- No treatment	479	9,260
- With treatment – please specify level of treatment	0	0
(v) Others	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kiloliters)	**479***	**9,260**

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

*The data in FY 2024-25 only includes data from manufacturing facility at Vizag for the two months it was operational.

5. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Within Solara Active Pharma Sciences Limited. 5 units out of 8 units (6 manufacturing locations and 2 offices) in the Solara active Pharma Sciences Limited are Zero Liquid Discharge (ZLD). The company actively promotes water conservation through a strategic approach of reducing, reusing, recharging, and recycling water within its manufacturing premises. As part of our recycling initiatives, we provides tertiary treatment to its effluent, allowing the treated water to be efficiently recycled and reused as make-up water for cooling towers and for gardening purposes within the company premises.

6. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Unit	FY 2024-25	FY 2023-24
NOx	Metric tonne	40	103
SOx	Metric tonne	10	28
Particulate matter (PM)	Metric tonne	40	84
Persistent organic pollutants (POP)	Metric tonne	0	0
Volatile organic compounds (VOC)	Metric tonne	0	0
Hazardous air pollutants (HAP)	Metric tonne	0	0
Ozone Depleting Substances	CFC-11 Equivalent	67	70

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

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 1 emissions	Metric tonnes of CO_2 equivalent (tCO_2e)	12,118	33,489
Total Scope 2 emissions	Metric tonnes of CO_2 (tCO_2)	28,660	43,622
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	tCO_2/ ₹	0.0000032	0.0000060
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover adjusted for Purchasing Power Parity # (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	tCO_2/ $	0.00007	0.00012#
Total Scope 1 and Scope 2 emission intensity in terms of physical output	tCO_2e/ MT of production	8.31	10.89

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

#The intensity adjusted for PPP has been restated following the guidelines set forth in SEBI's circular dated December 20, 2024, which outlines Industry Standards Forum guidance for BRSR Core. The PPP factor has been sourced from IMF database. https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC

8. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**
We have invested in renewable energy as a key initiative to reduce our GHG emissions. We are considering investments in renewable electricity as well as renewable fuels to form a large part of our overall energy mix. As a result, our total electricity mix comprises of 50% of renewable energy in the reporting period.

9. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2024-25	FY 2023-24
Total Waste generated (in metric tonnes)*		
Plastic waste (A)	19	22
E-waste (B)	1	1
Bio-medical waste (C)	1	2
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	20,415	33,723
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	806	523
Total (A+ B + C + D + E + F + G + H)	**21,242**	**34,272**
Waste intensity per rupee of turnover (MT/₹) (Total waste generated / Revenue from operations)	0.0000017	0.0000026
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (MT/$) (Total waste generated/ Revenue from operations adjusted for PPP)	0.000034#	0.000054#

Parameter	FY 2024-25	FY 2023-24
Waste intensity in terms of physical output (MT/ MT) (Total Waste Generated / Production)	4.33	4.84
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)*		
Category of waste		
(i) Recycled	17,962	28,125
(ii) Re-used	9	0
(iii) Other recovery operations	2,876	4,591
Total	**20,848**	**32,716**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	12	120
(ii) Landfilling	637	1,399
(iii) Other disposal operations	0	0
Total	**649****	**1,519**

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

The intensity adjusted for PPP has been restated following the guidelines set forth in SEBI's circular dated December 20, 2024, which outlines Industry Standards Forum guidance for BRSR Core. The PPP factor has been sourced from IMF database. https://www.imf.org/external/ datamapper/PPPEX@WEO/OEMDC.

**Substantial decrease in waste generation and disposal in the reporting period is attributed to reduced production due to operational restructuring.

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

1. Evaluation of product through literature and select the route with less toxic chemicals and least hazardous waste by-product.
2. Process development of the manufacturing products to reduce usage of hazardous and toxic.
3. We continuously work on process improvement, yield improvement and improving solvent recoveries, recycling, reducing hazardous waste to landfill and incineration.

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

Sr No	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	Research & Development and General administration	Solara Active Pharma research centre and corporate office situated at Keelakottaiyur Village, Melakottaiyur (PO) Chennai – 600127, which is 7.00 Km from Vandaloor Zoo.	Yes, site is complying to consent to Operate (CFO/ CTO) conditions

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

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

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

S. No	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not applicable as we are compliant with all the applicable environmental law/ regulations/ guidelines				

Leadership Indicators

1. **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

   (i) Name of the area - Chennai and Bangalore

   (ii) Nature of operations: Puducherry Corporate office in Chennai, and sales & marketing office in Bangalore.

   (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	39,383	35,319
(iii) Third party water	122	480
(iv) Seawater / desalinated water	0	0
(v) Others	3,757	13,297
Total volume of water withdrawal (in kiloliters)	43,262	49,096
Total volume of water consumption (in kiloliters)	43,262	49,096
Water intensity per rupee of turnover (KL/₹) (Total water consumed / Revenue from operations)	0.000003370	0.000003809
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) Into Groundwater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) Into Seawater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kiloliters)	0	0

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

*In the previous year FY 2023-24, water intensity figures were reported in milliliters, whereas in this year, we will be following KL/₹and KL/$ for intensity calculations for revenue and revenue adjusted for PPP

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

Sr No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Reduce carbon emissions	Using energy-efficient equipment and energy-efficient lighting in our offices	75% less energy than conventional lighting
2	Measures to conserve water	Use of sensor-based taps and use of aerators in taps to reduce water flow	Reduction of Water Consumption
3	Waste reduction	Installation of paddle dryer	Reduction in moisture content of waste resulted in reduction of waste quantity generated hence quantity disposed also reduced.

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**
   The Emergency Preparedness and Business Continuity Plan emphasizes proactive strategies to address risks and ensure operational resilience during emergencies. It consists of documented procedures for fire safety, natural disasters, and other emergencies. Measures include automated fire detection systems, evacuation plans, and clear signage for assembly points. Exit routes and doors comply with safety standards to facilitate swift evacuations. Firefighting equipment, personnel training in emergency response, and properly maintained alarm systems are key aspects. Personal protective equipment (PPE) is provided, ensuring personnel safety during crises. Additionally, business continuity plans address upstream and downstream disruptions in transport, promoting comprehensive risk mitigation.

6. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**
   No, the organization has not identified any significant adverse environmental impacts arising from its value chain.

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**
   Out of 68 value chain partners identified, 05 were assessed for environmental impacts i.e., 7% of value chain partners (by value of business done with such partners).

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1. A. **Number of affiliations with trade and industry chambers/ associations.**
   We are affiliated with 4 industry chambers and associations.

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

Sr No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Pharmaceuticals Export Promotion Council of India	National
2	Federation of Indian Export Organisations	National
3	Southern Indian Chamber of Commerce & Industry	National
4	Export Promotion Council for EOUs & SEZs	International

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

Name of authority	Brief of the case	Corrective action taken
Not applicable as no cases have been recorded due to unfair trade practices or anti-competitive behavior.		

Principle 8: Businesses should promote inclusive growth and equitable development.

Essential Indicators

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

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S. No	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.
We hold quarterly meetings with community representatives to gain insights into their needs and identify areas where we can provide support. These regular interactions facilitate a deeper understanding of community expectations and help align our initiatives accordingly. Additionally, we engage third parties to conduct robust assessments to ensure unbiased evaluations of its operations and their impact, further enhancing transparency and accountability. We also stay informed of government notifications, ensuring compliance with regulatory requirements and adapting strategies to meet evolving legal standards, thereby reinforcing our commitment to responsible business practices.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2024-25	FY 2023-24
Directly sourced from MSMEs/ small producers	20%	11%
Directly from within India	67%	81%

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

Parameter	FY 2024-25	FY 2023-24
Rural	-	-
Semi urban	-	5.2%
Urban	79.4%	59.4%
Metropolitan	20.6%	35.4%

*In the previous reporting period FY 2023-24, Ambernath was considered in semi-urban and we have revisited the figures in the reporting period basis its categorization of Ambernath as 'urban' as per RBI classification.

Leadership Indicators

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

Details of negative social impact identified	Corrective action taken
Not Applicable	

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

Sr No	State	Aspirational District	Amount Spent (in INR)
Not Applicable			

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

S. No	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/ No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not Applicable				

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

Name of the authority	Brief of the Case	Corrective action taken
Not Applicable		

5. Details of beneficiaries of CSR Projects:

Sr No	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Health	12,625	100%
2	Safe Drinking Water	18,000	100%

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**
   We have Quality Management System in place and the customer complaints are dealt with in accordance with the standards and operating procedures set out.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

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

Category	FY 2024-25			FY 2023-24		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data Privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber Security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other: Quality	15	3	2 complaints were closed in April & May 2025 and for 01 Complaint, a final Investigation is shared with customer and feedback for closure is awaited.	20	5	3 complaints were closed in April & May 2024. Final Investigation has been shared with customer for other 2 complaints and closed in FY25
Other: Packing issue	15	4	Final Investigation shared with customers for the 04 open complaints and awaiting customer feedback for final closure.	8	0	-
Other: Other category	3	0	NA	6	0	-

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

	Number	Reasons for recall
Voluntary recalls	0	-
Forced recalls	0	-

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

   Solara upholds the Information Security Policy and ensures that all staff members receive training on the policy. The policy outlines the procedures for safeguarding and managing the Company's information and assets. Additionally, it establishes clear roles and responsibilities for information protection and managing cyber incidents.

   Weblink: https://solara.co.in/investor-relations/policies-and-guidelines/

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

   Active monitoring of cyber security for Solara Active Pharma Sciences Limited is handled both internally and by third-party experts. Routine reviews are carried out, and necessary steps are taken to enhance the cyber security measures. Employees are educated on data privacy awareness, and new procedures for data privacy requirements are being reviewed and prepared for implementation.

7. **Provide the following information relating to data breaches:**

   a. Number of instances of data breaches – Nil

   b. Percentage of data breaches involving personally identifiable information of customers – Nil

   c. Impact, if any, of the data breaches – Nil

Independent Auditor's Report

To The Members of

Solara Active Pharma Sciences Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of Solara Active Pharma Sciences Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1	**Revenue Recognition**	**Principal audit procedures performed included the following:**
	Refer note 2.1 (iii) and note 26 of the standalone financial statements. The Company's sales revenue mainly arose from sale of pharmaceutical products, which are in the nature of API (i.e. Active Pharmaceutical Ingredient). The Company recognises sales revenue based on the terms and conditions of transactions, which vary with different customers. For sales transactions in a certain period around balance sheet date, it is essential to ensure whether the transfer of control of the goods by the Company to the customer occurs before the balance sheet date or otherwise. Considering that there are significant volume of sales transactions close to the year end, involving material amounts and such revenue recognition is subject to whether transfer of control to the customer has occurred before the balance sheet date or otherwise, we consider the risk of revenue from sale of goods being recognised in the incorrect period, a key audit matter.	We evaluated the design of internal controls over recognition of revenue in the appropriate period in accordance with the Company's accounting policy. On a sample basis, we tested the operating effectiveness of the internal control relating to the determination of point of time at which the transfer of control of the goods occurs. We tested the relevant information technology systems used in recording the revenue including company's system generated reports, based on which selection of samples was undertaken. On sample basis, we performed test of details of sales recorded close to year end through following procedures: – Analysed the terms and conditions of the underlying contract with the customers, and – Verified the evidence for the transfer of control of the goods prior to the balance sheet date or otherwise, from relevant supporting documents.

Sr. No.	Key Audit Matter	Auditor's Response
2.	**Carrying Value of Goodwill Relating to Human API Business:** Refer note 7 of the standalone financial statements. The Company carried Goodwill of ₹364.90 Crores as at Balance Sheet date arising from past Acquisitions. As Indicated in note 2.1 (xiv) to the Standalone financial statements, the Management of the Company assesses the Impairment of the Goodwill annually. The Carrying value of the Goodwill will be recovered through future cash flows and there is a risk of impairment loss where the actual cash flows are less than expected. The Impairment assessment performed by the Management contained a number of significant judgements and estimates including short and long term growth rates and discount rate. We focused on this area because of the significance of the balance and the significant judgements and assumptions involved in Impairment assessment by the Management about the future results of the Human API Business.	**Principal Audit Procedures performed included the following:** We assessed the Management's process for impairment assessment of goodwill. We performed testing of details and operating effectiveness of internal controls and substantive testing as follows: • Evaluated the design of the Management's internal control around the impairment assessment process. • Understood the key assumptions considered in the Management's estimates of future cash flows. • Involving our valuation specialists, we evaluated the short-term and long-term growth rates considered in the estimates of future cash flows and the discount rate used in the calculations. • Compared the historical cash flows (including for current year) against past projections of the Management for the same periods and gained understanding of the rationale for the changes. • Performed sensitivity analysis on the Key assumptions within the forecast cash flows and focused our attention on those assumptions we considered most sensitive to the changes such as revenue growth and profitability during the forecast period, the terminal growth rate and discount rate applied to the future cash flows. • We ascertained the extent to which a change in these assumptions both individually or in aggregate would result in impairment and considered the likelihood of such events occurring. We further assessed the adequacy of the disclosures made in the standalone financial Statements for the year ended March 31, 2025

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon which we obtained prior to the date of this auditor's report and the Management Discussion and Analysis, Corporate Governance Report and Business Responsibility and Sustainability Report which is expected to be made available to us after that date.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our 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 Management Discussion and Analysis, Corporate Governance Report and Business Responsibility and Sustainability Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Board of Directors for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements 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 Section 143(3) of the Act, based on our audit we report that:

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

   b) In our opinion, proper books of account as required by law have been kept by the Company, except for not complying with the requirement of audit trail as stated in (i)(vi) below.

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

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

   e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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, is as stated in paragraph (b) above.

   g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 38 to the standalone financial statements;

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

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

      iv. (a) The Management has represented that, to the best of its knowledge and belief as disclosed in the note 49(h) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief as disclosed in the note 49(i) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, 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 (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account for the year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that in respect of one accounting software, audit trail was not enabled for certain critical tables (refer note 50 to the standalone financial statements). Accordingly, we are unable to comment on whether there was any instance of the audit trail feature being tampered with.

Additionally, the audit trail that was enabled and operated for the year ended March 31, 2024 has been preserved by the Company as per the statutory requirements for record retention, as stated in Note 50 to the standalone financial statements.

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

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

Sandeep Kukreja
(Partner)
(Membership No. 220411)
(UDIN: 25220411BMOQCW4499)

Place: Bengaluru
Date: May 15, 2025

Annexure "A" to the Independent Auditor's Report

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

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

We have audited the internal financial controls with reference to standalone financial statements of **Solara Active Pharma Sciences Limited** (the "Company") as at March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone 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 standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

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

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

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

OPINION

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

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

Sandeep Kukreja
(Partner)
(Membership No. 220411)
(UDIN: 25220411BMOQCW4499)

Place: Bengaluru
Date: May 15, 2025

Annexure "B" to the Independent Auditor's Report

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

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

i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right-of-use assets.

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

b) The Company has a program of verification of property, plant and equipment, capital work-in-progress, investment properties and right-of-use assets so to cover all the items once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its Assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) With respect to immovable properties (other than properties where the Company is lessee and lease agreements are duly executed in favour of the Company) disclosed in the standalone financial statements included in property, plant and equipment and investment property, according to the information and explanations given to us and the sale deed provided to us and confirmation directly received by us from the lenders in case of land and buildings whose title deeds have been pledged as security for loans, we report that, the title deeds of such immovable properties are not held in the name of the Company as at the balance sheet date:

Description of the property	As at the Balance Sheet Date (₹in crores)		Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of company
	Gross carrying value	Carrying value in the standalone financial statements				
Freehold Land	0.21	0.21	Shasun Drugs wholly owned by Messrs . Shasun Chemicals (Madras) Pvt. Ltd.	No	October 01, 2017	The title deeds are in the name of transferor Companies, which were transferred to the Company pursuant to the Composite Scheme of Arrangement as approved by the National Company Law Tribunal. The Company is in the process of transferring in its name.
Freehold Land	0.33	0.33	Shasun Chemicals and Drugs Limited	No	October 01, 2017	
Freehold Land	2.09	2.09	Strides Shasun Limited	No	October 01, 2017	
Freehold Land	0.14	0.14	Shasun Pharmaceuticals Limited	No	October 01, 2017	
Freehold Land	52.18	52.18	Sequent Scientific Limited	No	October 01, 2017	
Investment Property-Building	3.02	2.28	Sequent Scientific Limited	No	October 01, 2017	
Buildings	36.87	25.01	Sequent Scientific Limited	No	October 01, 2017	
Buildings	85.87	62.66	Shasun Drugs wholly owned by Messrs . Shasun Chemicals (Madras) Pvt. Ltd.	No	October 01, 2017	
	180.71	**144.90**				

d) The Company has not revalued its property, plant and equipment (including Right of use asset) and intangible assets during the year.

e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii) a) The inventories except for goods-in-transit and stocks held with third parties were physically verified during the year by the Management at reasonable intervals. In our opinion and based on the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations has been obtained and in respect of goods in-transit, the goods have been received subsequent to the year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements, working capital positions and statements on ageing analysis of debtors filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters.

iii) The Company has granted unsecured loans or advances in the nature of loans, to companies or any other parties, in respect of which:

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

b) The terms and conditions of all advances in the nature of loans, are, in our opinion, prima facie, not prejudicial to the Company's interest.

c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments of principal amounts and payment of interest. (Refer reporting under clause (iii)(f) below).

d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

e) None of the loans or advances in the nature of loans granted by the Company have fallen due during the year.

f) The Company has granted advances in the nature of loans which are repayable on demand or without specifying any terms or period of repayment details of which are given below details of which are given below:

₹ in Crores

	All Parties	Promoters	Related Parties
Aggregate of advances in nature of loans			
Repayable on demand (A)	-	-	-
Agreement does not specify any terms or period of repayment (B)	8.89	-	8.89
Total (A+B)	**8.89**	**-**	**8.89**
Percentage of advances in nature of loans to the total loans	100%		100%

* The amounts reported are at gross amounts, without considering provision made.

iv) The Company has not granted any loans, made investments or provided guarantees that are covered under the provisions of Sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause (iv) of the Order is not applicable.

v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii) In respect of statutory dues:

a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.

b) Details of statutory dues referred to in sub-clause (a) which have not been deposited as on March 31, 2025 on account of disputes are given below:

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which the Amount relates	Amount involved (₹in Crore)	Amount unpaid ₹in Crore)
Central Excise Act, 1944	Central Excise	Commissioner of GST & Central Excise	F.Y. 2011-12 to F.Y. 2017-18	2.74	2.74
Finance Act, 1994	Service Tax	Commissioner of GST & Central Excise	F.Y. 2017-18	0.17	0.17
Customs Act, 1962	Merchandise Exports from India Scheme	Commissioner of Customs	F.Y. 2018-19 to F.Y. 2020-21	2.77	2.77
Customs Act, 1962	Basic Custom Duty	Customs Excise & Service Tax Appellate Tribunal	F.Y. 2017-18	0.12	0.12
Customs Act, 1962	Duty Drawback	Commissioner of Customs	FY 2020-21 to FY 2021-22	0.16	0.16
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	F.Y. 2017-18	40.52	-
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	F.Y. 2019-20	64.56	-
Income Tax Act, 1961	Income Tax	Commissioner of Income-tax (Appeals)	F.Y. 2021-22	10.50	-
Income Tax Act, 1961	Income Tax	Commissioner of Income-tax (Appeals)	F.Y. 2022-23	8.40	-
Employees Provident Fund Act 1952	Provident Fund	The Central Government Industrial Cum Labour Court, Chennai	FY 2009-10 to 2014-16	0.65	-

viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

ix) a) In our opinion, the Company has not defaulted in the repayment of loans to bank. There are no borrowings from financial institutions and government and the Company has not issued any debentures.

b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

d) On an overall examination of the standalone financial statements of the Company, funds raised on short-term basis have not been used during the year for long-term purposes by the Company.

e) The Company has not made any investment in or given any new loan or advances to any of its subsidiaries during the year and hence, reporting under clause (ix)(e) of the Order is not applicable. The Company did not have any associate or joint venture during the year.

f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries companies. The Company did not have any associate or joint venture during the year.

x) a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the order is not applicable.

b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

xi) a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year ended March 31, 2025.

b) To the best of our knowledge, no report under sub-Section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.

xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.

xiv) a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto December 2024 and the draft of the internal audit reports where issued after the balance sheet date covering the period January 01, 2025 to March 31, 2025 for the period under audit.

xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

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

b) The Group ("Companies in the Group") as defined in the Core Investment Companies (Reserve Bank) Directions) does not have any CIC (Core Investment Company) as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

xvii) The Company has not incurred any cash losses in the financial year covered by our audit but had incurred cash losses amounting to ₹184.96 Crore in the immediately preceding financial year.

xviii) There has been no resignation of the statutory auditors of the Company during the year.

xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx) (a) The Company is having net worth of rupees five hundred crore or more during the immediately preceding financial year. Hence, provisions of Section 135 of the Act are applicable to the Company during the year. However, considering that the Company has been incurring losses in the preceding three financial years, no amount is required to be spent by the Company.

(b) The Company do not have amount remaining unspent under subsection (5) of Section 135 of the Companies Act, pursuant to any ongoing project, which needs to be transferred to special account in compliance with the provision of sub-section (6) of Section 135 of the said Act.

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

Sandeep Kukreja
(Partner)
(Membership No. 220411)
(UDIN: 25220411BMOQCW4499)

Place: Bengaluru
Date: May 15, 2025

Standalone Balance Sheet

as at March 31, 2025

₹ in Crores

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
A ASSETS			
I Non-current assets			
(a) Property, plant and equipment	3	732.08	799.05
(b) Right-of-use assets	4(i)	57.74	52.19
(c) Capital work in progress	5	280.05	256.37
(d) Investment property	6	2.28	2.39
(e) Goodwill	7	364.90	364.90
(f) Other intangible assets	8	29.80	42.56
(g) Financial assets			
(i) Investments	9	1.70	14.25
(ii) Other financial assets	11(i)	16.32	15.35
(h) Deferred tax assets (net)	12	-	-
(i) Income tax assets (net)	13	4.51	3.61
(j) Other non-current assets	14(i)	7.12	5.28
Total non-current assets		**1,496.50**	**1,555.95**
II Current assets			
(a) Inventories	15	317.90	359.70
(b) Financial assets			
(i) Trade receivables	16	326.57	351.22
(ii) Cash and cash equivalents	17	3.81	8.32
(iii) Bank balances other than (ii) above	18	0.16	0.16
(iv) Loans	10(ii)	0.02	0.34
(v) Other financial assets	11(ii)	12.36	7.42
(c) Other current assets	14(ii)	67.78	63.49
Total current assets		**728.60**	**790.65**
Total assets (I + II)		**2,225.10**	**2,346.60**
B EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	19	40.25	36.00
(b) Other equity	20	1,055.96	901.42
Total equity		**1,096.21**	**937.42**
II Liabilities			
I Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21(i)	113.86	105.83
(ii) Lease liabilities	4(ii)	17.77	11.61
(iii) Other financial liabilities	22(i)	0.42	0.42
(b) Provisions	23	9.85	10.08
(c) Other non-current liabilities	24(i)	48.92	43.59
Total non-current liabilities		**190.82**	**171.53**
II Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21(ii)	662.20	893.55
(ii) Lease liabilities	4(ii)	2.25	0.51
(iii) Trade payables			
- Dues of micro and small enterprises	25	37.99	10.63
- Dues of other than micro and small enterprises	25	204.60	297.07
(iv) Other financial liabilities	22(ii)	17.89	13.70
(b) Provisions	23	2.23	1.97
(c) Other current liabilities	24(ii)	10.91	20.22
Total current liabilities		**938.07**	**1,237.65**
Total liabilities		**1,128.89**	**1,409.18**
Total equity and liabilities (I + II)		**2,225.10**	**2,346.60**

See accompanying notes forming part of the standalone financial statements

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

Sandeep Kukreja
Partner
Membership Number: 220411

Place : Bengaluru
Date : May 15, 2025

For and on behalf of Board of Directors

Sandeep Rao
Managing Director & Chief Executive Officer
DIN: 10838251

M Mohan
Executive Director
DIN: 03610282

Sarat Kumar
Chief Financial Officer

Pooja Jaya Kumar
Company Secretary
Membership Number: A57415

Place : Bengaluru
Date : May 15, 2025

Standalone Statement of Profit and Loss

for the year ended March 31, 2025

₹ in Crores

	Particulars	Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
1	REVENUE FROM OPERATIONS	26	1,283.76	1,288.92
2	Other income	27	9.14	5.37
3	**Total Income (1+2)**		**1,292.90**	**1,294.29**
4	EXPENSES			
	(a) Cost of materials consumed	28	581.66	760.65
	(b) Purchases of stock-in-trade	29	5.75	5.10
	(c) Changes in inventories of finished goods and work-in-progress	30	39.00	39.27
	(d) Employee benefits expenses	31	211.68	243.92
	(e) Finance costs	32	114.81	105.97
	(f) Depreciation and amortisation expenses	33	99.25	103.03
	(g) Other expenses	34	241.83	335.04
	Total expenses (4)		**1,293.98**	**1,592.98**
5	LOSS BEFORE TAX AND EXCEPTIONAL ITEMS (3-4)		**(1.08)**	**(298.69)**
6	EXCEPTIONAL ITEM GAIN/ (LOSS) (NET)	35	-	(189.64)
7	LOSS BEFORE TAX (5 + 6)		**(1.08)**	**(488.33)**
8	TAX EXPENSE	36		
	(a) Current tax		-	-
	(b) Deferred tax		-	78.54
	Total tax expense (8)		**-**	**78.54**
9	LOSS FOR THE YEAR (7-8)		**(1.08)**	**(566.87)**
10	OTHER COMPREHENSIVE INCOME			
A	**Items that will not be reclassified subsequently to profit or loss:**			
(i)	Remeasurement gains/(losses) of defined benefit plans		1.06	0.56
(ii)	Income tax relating to items that will not be reclassified subsequently to profit or loss		-	-
B	**Items that may be reclassified to subsequently to profit or loss:**			
(i)	Exchange gain/(loss) on translation of financial statements of foreign subsidiary		-	-
(ii)	Income tax relating to items that may be reclassified to statement of profit and loss		-	-
	Total other comprehensive income/(loss) for the year (10)		**1.06**	**0.56**
11	TOTAL COMPREHENSIVE LOSS FOR THE YEAR (9+10)		**(0.02)**	**(566.31)**
			(0.02)	**(566.31)**
12	EARNINGS PER EQUITY SHARE (FACE VALUE OF ₹10/- EACH)	41		
	- Basic (in ₹)		(0.27)	(148.38)
	- Diluted (in ₹)		(0.27)	(148.38)

See accompanying notes forming part of the standalone financial statements

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

Sandeep Kukreja
Partner
Membership Number: 220411

Place : Bengaluru
Date : May 15, 2025

For and on behalf of Board of Directors

Sandeep Rao
Managing Director & Chief Executive Officer
DIN: 10838251

M Mohan
Executive Director
DIN: 03610282

Sarat Kumar
Chief Financial Officer

Pooja Jaya Kumar
Company Secretary
Membership Number: A57415

Place : Bengaluru
Date : May 15, 2025

Standalone Statement of Cash Flows

for the year ended March 31, 2025

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax for the year	**(1.08)**	**(488.33)**
Adjustments for:		
Depreciation and amortisation expenses	99.25	103.03
Finance costs	114.81	105.97
Share based compensation expenses (net of reversals)	2.68	0.60
Rental income from investment property	(1.02)	(0.97)
Interest income	(0.76)	(2.22)
Liabilities / provisions no longer required written back	(5.25)	(0.43)
Loss / (Profit) on sale of property, plant and equipment	-	(0.36)
Write off of Property, plant and equipment	0.08	2.53
Impairment on investments in subsidiary	0.05	1.80
Exceptional loss on account of fire at Puducherry facility	-	62.50
Write down of inventories	-	122.81
Provision for doubtful receivables and advances	3.79	10.99
Unrealised exchange (gain) / loss (net)	(1.47)	(0.46)
Operating cash flows before working capital changes	**211.08**	**(82.54)**
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	41.80	15.06
Trade receivables	19.74	178.13
Other assets (financial & non-financial)	(10.03)	(20.73)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(59.33)	7.23
Other liabilities (financial & non-financial)	10.44	12.88
Cash generated from operations	**213.70**	**110.03**
Net income tax (paid) / refunds	(0.90)	0.92
Net cash flow generated from operating activities (A)	**212.80**	**110.95**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure for property, plant and equipment and intangible assets, including capital advances	(39.94)	(43.07)
Proceeds from sale of property, plant and equipment	0.38	1.04
Proceeds from sale of investments in other entities	0.96	-
Loan (given) / received	-	32.35
Interest received	0.75	4.05
Rental income from investment property	1.02	0.97
Net cash flow utilised in investing activities (B)	**(36.83)**	**(4.66)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	159.02	-
Share issue expenses	(2.89)	-
Proceeds from non-current borrowings	75.00	4.90
Repayment of non-current borrowings	(110.95)	(118.50)
Net increase / (decrease) in current borrowings	(185.43)	111.45
Lease payments	(2.13)	(0.88)
Finance costs	(113.10)	(103.49)
Net cash flow utilised in financing activities (C)	**(180.48)**	**(106.52)**

Standalone Statement of Cash Flows
for the year ended March 31, 2025

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Net increase in cash and cash equivalents during the year (A+B+C)	**(4.51)**	**(0.23)**
Cash and cash equivalents at the beginning of the year	8.32	8.55
Cash and cash equivalents at the end of the year	**3.81**	**8.32**
Reconciliation of cash and cash equivalents with the Standalone Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer note 17)	3.81	8.32
Cash and cash equivalents at the end of the year *	**3.81**	**8.32**
*** Comprises**		
Cash on hand	0.02	0.02
Balance with banks:		
- In current account	3.00	2.95
- In deposit account	0.79	5.35
Total	**3.81**	**8.32**

Note

1. Refer Note 4(ii) and note 21(iii) for supplementary information on cash flow statement.

See accompanying notes forming part of the standalone financial statements

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

For and on behalf of Board of Directors

Sandeep Kukreja
Partner
Membership Number: 220411

Sandeep Rao
Managing Director & Chief Executive Officer
DIN: 10838251

M Mohan
Executive Director
DIN: 03610282

Sarat Kumar
Chief Financial Officer

Pooja Jaya Kumar
Company Secretary
Membership Number: A57415

Place : Bengaluru
Date : May 15, 2025

Place : Bengaluru
Date : May 15, 2025

Standalone Statement of Changes in Equity

for the year ended March 31, 2025

A. EQUITY SHARE CAPITAL

₹ in Crores

Particulars	Amount
Balance as at April 01, 2023	**36.00**
Changes in equity share capital during the year	-
Balance as at March 31, 2024	**36.00**
Changes in equity share capital during the year	
- Shares issued pursuant to Rights issue (refer note 53)	4.19
- Shares issued pursuant to exercise of stock options (refer note 43)	0.06
Balance as at March 31, 2025	**40.25**

B. OTHER EQUITY

₹ in Crores

Particulars	Reserves and Surplus				Total equity attributable to the owners of the company
	Capital reserve	Securities premium	Retained earnings	Share options outstanding account	
Balance as at April 01, 2023	0.01	1,216.03	250.04	1.05	1,467.13
Profit for the year	-	-	(566.87)	-	(566.87)
Other comprehensive income for the year	-	-	0.56	-	0.56
Employee stock compensation expenses	-	-	-	0.60	0.60
Balance as at March 31, 2024	**0.01**	**1,216.03**	**(316.27)**	**1.65**	**901.42**
Profit for the year	-	-	(1.08)	-	(1.08)
Other comprehensive income for the year	-	-	1.06	-	1.06
Issue of shares pursuant to exercise of stock options (refer note 43)	-	-	-	(0.75)	(0.75)
Premium on Issue of Share during the year pursuant to ESOP	-	2.24	-	-	2.24
Premium on Issue of Share during the year pursuant to Right issue	-	153.28	-	-	153.28
Employee stock compensation expenses	-	-	-	2.68	2.68
Transfer to retained earnings on stock options lapsed during the year	-	-	0.29	(0.29)	-
Share issue expenses related to Rights issue (net of tax)	-	(2.89)	-	-	(2.89)
Balance as at March 31, 2025	**0.01**	**1,368.66**	**(316.00)**	**3.29**	**1,055.96**

See accompanying notes forming part of the standalone financial statements

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

Sandeep Kukreja
Partner
Membership Number: 220411

Place : Bengaluru
Date : May 15, 2025

For and on behalf of Board of Directors

Sandeep Rao
Managing Director & Chief Executive Officer
DIN: 10838251

M Mohan
Executive Director
DIN: 03610282

Sarat Kumar
Chief Financial Officer

Pooja Jaya Kumar
Company Secretary
Membership Number: A57415

Place : Bengaluru
Date : May 15, 2025

Notes

to the standalone financial statements for the year ended March 31, 2025

1 BACKGROUND

Solara Active Pharma Sciences Limited (hereinafter referred as “the Company”) is a public limited Company incorporated on February 23, 2017 under the provisions of Companies Act, 2013 with the object of, inter alia, undertaking the business of manufacturing, production, processing, formulating, sale, import, export, merchandising, distributing, trading of and dealing in active pharmaceutical ingredients. The Company has its registered address at 'Cyber One', Unit No. 902, Plot No. 4 & 6, Sector 30A, Vashi, Navi Mumbai - 400 703.

The standalone financial statements were approved by the Board of Directors and authorised for issue on May 15, 2025. These financial statements comprise the standalone balance sheet of the Company, standalone statement of profit and loss (including other comprehensive income) and standalone cash flow statement, standalone statement of changes in equity and material accounting policies and other explanatory information (together the “standalone financial statements”).

2.1 Material accounting policies

(i) Statement of compliance

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

(ii) Basis of measurement

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

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

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

Going Concern

The Company has significantly reduced losses for the year ended March 31, 2025 as compared to previous year ended March 31, 2024, it has accumulated losses of ₹316.00 crores and its net current liabilities exceed its net current assets by ₹209.47 crores as of March 31, 2025.

To mitigate the situation and adequately fund its operations, the Company has received a partial amount of ₹157.48 crores out of ₹449.95 crores from existing shareholders under the rights issue during the year ended March 31, 2025. After year-end, the Company made the first call on 35% of the face value, raising ₹157.48 crores with the remaining funds of ₹134.99 crores to be called as needed. The Company expects to renew its working capital facilities, as and when required, in the normal course of business and also increase revenues and margins on its products and accordingly expects to continue to have cash inflows from operations in amounts that are adequate enough to meet all future obligations as they fall due. Based on the above, the Board of directors have approved the preparation of the financial statements on a going concern basis.

(iii) Revenue recognition

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

Sale of goods

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

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

Sale of services

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

Share of Profit

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

(iv) Interest income

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

(v) Export Incentives

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

(vi) Leases

The Company as lessor

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

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

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

The Company as lessee

The Company at the inception of the lease contract recognizes a Right-of-Use (RoU) .The Company assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves–

(a) the use of an identified asset,

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

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

The Company at the inception of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets.

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

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

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

(vii) Foreign currencies transactions and translation

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

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

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

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

(viii) Borrowing costs

Borrowing costs include:

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

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

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

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

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

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

(ix) Employee benefits

Short term obligations

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

Retirement benefit costs and termination benefits

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

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

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

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

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

Defined contribution plan

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

Compensated absences

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

(x) Taxation

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

Current tax

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

Deferred tax

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

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

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

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

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

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

Current and deferred tax for the year

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(xi) Property, plant and equipment

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

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

Freehold land is not depreciated.

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

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

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

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

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

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

(xii) Investment property

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

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

(xiii) Intangible assets

Intangible assets acquired separately

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

Intangible assets acquired in a business combination

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

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

Derecognition of intangible assets

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

Useful lives of intangible assets

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

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

(xiv) Impairment of assets

Impairment of financial assets:

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

Impairment of investment in subsidiaries

The Company reviews its carrying value of investments in subsidiaries at cost, annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Impairment of goodwill

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

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

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

Impairment of non-financial assets other than goodwill

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

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

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

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

(xv) Inventories

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

Raw materials, packing materials and consumables: weighted average basis

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

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

Stock-in trade: weighted average basis

(xvi) Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Onerous contracts

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

(xvii) Contingent liabilities

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

(xviii) Financial instruments

Investment in subsidiaries

The Company has accounted for its investments in subsidiaries at cost less impairment.

Other financial assets and financial liabilities

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

Initial recognition and measurement:

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

Subsequent measurement:

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

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

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

Derecognition of financial assets and liabilities:

The Company derecognises the financial asset only when the contractual rights to the cashflows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of the ownership of the asset to the other entity . If the Company neither transfers nor retains substantially all risks and rewards of ownership and continues to control the transferred asset , the Company recognizes its retained interest in the asset and associated liability for the amounts it may have to pay. If the Company retains substantially all risks and rewards of the ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collaterized borrowing for the proceeds received. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. Financial liabilities are derecognised when these are extinguished , that is when the obligation is discharged, cancelled or has expired.The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Equity instruments

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

(xix) Operating Cycle

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

(xx) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(xxi) Key sources of estimation uncertainty

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

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

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

Impairment of goodwill and other non-financial assets

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

Impairment of financial assets

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

Useful lives of property, plant and equipment

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

Defined benefit plans and compensated absences:

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

Income taxes

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

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

Controlling parties assessment

The Company performs assessment for identification of controlling parties. The assessment involves judgements which included consideration of controlling parties' absolute size of holding in the Company, determination of whether other parties are acting on the investor's behalf, determination of whether parties have the practical ability to exercise that right and the relative size of and dispersion of the shareholdings owned by the other shareholders. Based on assessment, the Company is not controlled by any single shareholder or group of shareholders.

Going Concern

The Management has prepared cash flow forecasts for the next 12 months. The forecasts include assumption such revenue projection, increase in gross margin and EBTIDA due to cost control measures and strategic focus to maintain reduced inventory levels.

Inventory

The Company estimates the net realisable value (NRV) of its inventories by taking into account their estimated selling price, estimated cost of completion, estimated costs necessary to make the sale. Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realisable value. Inventories are written down to NRV where such NRV is lower than their cost.

Litigations

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

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

NOTE NO. 3 PROPERTY, PLANT AND EQUIPMENT

₹ in Crores

Particulars	Gross Block					Accumulate Depreciation					Net Block	
	As at April 01, 2024	Additions	Disposals	Reclassification*	As at March 31, 2025	As at April 01, 2024	Depreciation for the year	Eliminated on disposal	Reclassification*	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024
Freehold Land	71.66	-	-	-	71.66	-	-	-	-	-	71.66	71.66
	(71.66)	-	-	-	(71.66)	-	-	-	-	-	(71.66)	(71.66)
Leasehold Improvements	3.48	-	-	-	3.48	2.42	0.47	-	-	2.89	0.59	1.06
	(15.69)	-	(12.21)	-	(3.48)	(13.82)	(0.20)	(11.60)	-	(2.42)	(1.06)	(1.87)
Buildings	328.26	1.73	-	-	329.99	69.16	11.74	-	-	80.90	249.09	259.10
	(317.21)	(4.49)	(1.04)	(7.60)	(328.26)	(55.96)	(11.81)	(0.18)	(1.57)	(69.16)	(259.10)	(261.25)
Plant and equipments	857.43	14.72	5.53	-	866.62	399.46	68.61	5.07	-	463.00	403.62	457.97
	(846.48)	(20.26)	(9.31)	-	(857.43)	(332.94)	(72.43)	(5.91)	-	(399.46)	(457.97)	(513.54)
Furniture and fixtures	6.77	-	-	-	6.77	4.33	0.54	-	-	4.87	1.90	2.44
	(7.04)	-	(0.27)	-	(6.77)	(3.85)	(0.63)	(0.15)	-	(4.33)	(2.44)	(3.19)
Vehicles	1.38	0.32	-	-	1.70	1.06	0.11	-	-	1.17	0.53	0.32
	(1.38)	-	-	-	(1.38)	(0.98)	(0.08)	-	-	(1.06)	(0.32)	(0.40)
Office equipments	37.67	0.20	-	-	37.87	31.17	2.01	-	-	33.18	4.69	6.50
	(39.93)	(1.10)	(3.36)	-	(37.67)	(31.64)	(2.69)	(3.16)	-	(31.17)	(6.50)	(8.29)
Total	**1,306.65**	**16.97**	**5.53**	**-**	**1,318.09**	**507.60**	**83.48**	**5.07**	**-**	**586.01**	**732.08**	**799.05**
Previous year	**(1,299.39)**	**(25.85)**	**(26.19)**	**(7.60)**	**(1,306.65)**	**(439.19)**	**(87.84)**	**(21.00)**	**(1.57)**	**(507.60)**	**(799.05)**	**(860.20)**

* Reclassified from investment property.

Notes:

(i) Figures in brackets relates to previous year.

(ii) All the assets are owned by the Company unless otherwise stated.

(iii) Refer note 21 for properties, plant and equipment pledged as security towards borrowings by the Company.

(iv) Disposals for the previous year includes damages to plant and equipment due to a fire accident at the Puducherry facility amounting to ₹2.25 crores, as mentioned in note 51 and write-off of assets amounting to ₹2.53 crores, which were no longer usable due to the sale of shareholding in Sequent Penems Private Limited, a wholly-owned subsidiary, as mentioned in note 9(i).

(v) The title deeds of freehold land and building (as at March 31, 2025 gross block ₹177.69 Crores and net block of ₹142.62 Crores) (as at March 31, 2024 gross block ₹176.39 Crores and net block of ₹145.46 Crores) capitalised in the books of the Company are in the name of erstwhile Companies as given below. The Company is in the process transferring the title deeds of such properties in its name.

Relevant line item in the Balance sheet	Description of item of property	Gross Value of property	Title deed held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
Property Plant and Equipment	Freehold Land	0.21 (0.21)	Shasun Drugs wholly owned by Messrs . Shasun Chemicals (Madras) Pvt. Ltd.	No	October 1, 2017	The title deeds are in the name of transferor Companies, which were transferred to the Company pursuant to the Composite Scheme of Arrangement as approved by the National Company Law Tribunal. The Company is in the process of transferring in its name.
Property Plant and Equipment	Buildings	85.87 (85.13)	Shasun Drugs wholly owned by Messrs . Shasun Chemicals (Madras) Pvt. Ltd.	No	October 1, 2017	The title deeds are in the name of transferor Companies, which were transferred to the Company pursuant to the Composite Scheme of Arrangement as approved by the National Company Law Tribunal. The Company is in the process of transferring in its name.
Property Plant and Equipment	Freehold Land	0.33 (0.33)	Shasun Chemicals and Drugs Limited	No	October 1, 2017	The title deeds are in the name of transferor Companies, which were transferred to the Company pursuant to the Composite Scheme of Arrangement as approved by the National Company Law Tribunal. The Company is in the process of transferring in its name.
Property Plant and Equipment	Freehold Land	2.09 (2.09)	Strides Shasun Limited	No	October 1, 2017	The title deeds are in the name of transferor Companies, which were transferred to the Company pursuant to the Composite Scheme of Arrangement as approved by the National Company Law Tribunal. The Company is in the process of transferring in its name.
Property Plant and Equipment	Freehold Land	52.18 (52.18)	Sequent Scientific Limited	No	October 1, 2017	The title deeds are in the name of transferor Companies, which were transferred to the Company pursuant to the Composite Scheme of Arrangement as approved by the National Company Law Tribunal. The Company is in the process of transferring in its name.
Property Plant and Equipment	Buildings	36.87 (36.31)	Sequent Scientific Limited	No	October 1, 2017	The title deeds are in the name of transferor Companies, which were transferred to the Company pursuant to the Composite Scheme of Arrangement as approved by the National Company Law Tribunal. The Company is in the process of transferring in its name.
Property Plant and Equipment	Freehold Land	0.14 (0.14)	Shasun Pharmaceuticals Limited	No	October 1, 2017	The title deeds are in the name of transferor Companies, which were transferred to the Company pursuant to the Composite Scheme of Arrangement as approved by the National Company Law Tribunal. The Company is in the process of transferring in its name.
Total		**177.69**				
Previous year		**(176.39)**				

Notes

to the standalone financial statements for the year ended March 31, 2025

NOTE NO. 4 LEASES

(i) Right-of-use assets

₹ in Crores

Particulars	Gross block					Accumulated depreciation				Net block	
	As at April 01, 2024	Additions	Transfers	Disposals	As at March 31, 2025	As at April 01, 2024	Depreciation for the year	Eliminated on disposal	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024
Leasehold Land	59.85	-	-	-	59.85	7.66	1.58	-	9.24	50.61	52.19
	(59.85)	-	-	-	(59.85)	(6.08)	(1.58)	-	(7.66)	(52.19)	(53.77)
Buildings	-	8.39	-	-	8.39	-	1.26	-	1.26	7.13	-
	-	-	-	-	-	-	-	-	-	-	-
Total	**59.85**	**8.39**	**-**	**-**	**68.24**	**7.66**	**2.84**	**-**	**10.50**	**57.74**	**52.19**
Previous year	**(59.85)**	**-**	**-**	**-**	**(59.85)**	**(6.08)**	**(1.58)**	**-**	**(7.66)**	**(52.19)**	**(53.77)**

Notes:

(i) Figures in brackets relates to previous year.

(ii) Lease liabilities

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	12.12	11.70
Addition	8.07	-
Accretion of interest	1.96	1.30
Payments	(2.13)	(0.88)
Closing balance	**20.02**	**12.12**
Maturity analysis:		
- Year 1	2.99	0.92
- Year 2	3.32	0.96
- Year 3	3.31	1.01
- Year 4	3.48	1.06
- Year 5	1.57	1.11
- Year 6 onwards	47.95	49.15
- Less: Unmatured finance charges	(42.60)	(42.09)
Total	**20.02**	**12.12**
Non-current	17.77	11.61
Current	2.25	0.51

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

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Depreciation charge on Right-of-use asset	2.84	1.58
Finance cost: Interest expense	1.96	1.30
Short term lease payments (Refer Note (i) below)	2.67	2.76

Note:

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

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

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Cash outflows for lease payments	2.13	0.88

NOTE NO. 5 CAPITAL WORK IN PROGRESS

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	256.37	238.47
Add: Additions	40.71	45.20
Less: Capitalised	(17.03)	(27.30)
Closing balance	**280.05**	**256.37**

Notes:

(i) Ageing of Capital work in progress:

Particulars	Amount in Capital work in progress for a period of				As at 31st March, 2025	As at 31st March, 2024
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Project in progress	27.75	34.05	65.80	152.45	280.05	256.37
	(34.59)	(66.34)	(112.74)	(42.70)	(256.37)	(238.47)
Total	**27.75**	**34.05**	**65.80**	**152.45**	**280.05**	**256.37**
Previous year	**(34.59)**	**(66.34)**	**(112.74)**	**(42.70)**	**(256.37)**	**(238.47)**

As on the date of the balance sheet, except for the below mentioned Capital work in progress project there are no other capital work-in-progress projects whose completion is overdue or has exceeded the cost.

Capital Work In Progress	To be Completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Vizag Project	-	241.41	-	-
	(240.29)	-	-	-
Total	**-**	**241.41**	**-**	**-**
Previous year	**(240.29)**	**-**	**-**	**-**

NOTE NO. 6 INVESTMENT PROPERTY

₹ in Crores

Particulars	Gross block				Accumulated depreciation				Net block	
	As at April 01, 2024	Additions	Reclassification*	As at March 31, 2025	As at April 01, 2024	Depreciation for the year	Reclassification*	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024
Buildings	3.02	-	-	3.02	0.63	0.11	-	0.74	2.28	2.39
	(10.62)	-	(7.60)	(3.02)	(1.83)	(0.37)	(1.57)	(0.63)	(2.39)	(8.79)
Total	**3.02**	**-**	**-**	**3.02**	**0.63**	**0.11**	**-**	**0.74**	**2.28**	**2.39**
Previous year	**(10.62)**	**-**	**(7.60)**	**(3.02)**	**(1.83)**	**(0.37)**	**(1.57)**	**(0.63)**	**(2.39)**	**(8.79)**

* Reclassified to Property, plant and equipment.

Notes:

(i) Figures in brackets relates to previous year.

(ii) Refer note 21 for investment properties pledged as security towards borrowings by the Company.

(iii) The title deeds of investment property (as at March 31, 2025 gross block ₹3.02 Crores and net block of ₹2.28 Crores) (as at March 31, 2024 gross block ₹3.02 Crores and net block of ₹2.39 Crores) capitalised in the books of the Company are in the name of erstwhile Companies as given below. The Company is in the process transferring the title deeds of such properties in its name.

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

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

₹ in Crores

Particulars	Gross block		Net block	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Buildings	3.02	3.02	2.28	2.39

(v) Fair value of investment properties:

The Company obtains independent valuations for its investment properties once in three years. The latest fair value of the Company's investment properties were carried out as at March 31, 2024 which indicated fair value of ₹7.53 Crores on the basis of a valuation carried out by independent valuers. The said valuers are registered with the authority which governs valuers in India and have appropriate qualifications and relevant experience in the valuation of properties in the relevant locations.

The inputs used are as follows:

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

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

(vi) Amounts recognised in the standalone statement of Profit or Loss for investment properties

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Depreciation charge on investment properties	0.11	0.37
Other income: Rental income	1.02	0.97

NOTE NO. 7 GOODWILL

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Goodwill	364.90	364.90
Total	**364.90**	**364.90**

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

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Human API business	357.95	357.95
R&D business	0.43	0.43
Strides Chemicals Private Limited	6.52	6.52
Total	**364.90**	**364.90**

Impairment assessment of goodwill allocated to the "Human API business" as at March 31, 2025:

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

Considering the historical performance of this business since acquisition and based on the forward looking estimates, including the changes in estimated future economic conditions, revisions were made to the cash flow projections and other key assumptions such as discount rate and the terminal growth rate. The cash flows are discounted using a post tax discount rate of 17.00% (March 31, 2024: 16.00%). The terminal value of cash generating unit is arrived at by extrapolating cash flows of latest forecasted year to perpetuity using a constant long-term growth rate of 3.00% (March 31, 2024: 3.00%) p.a. which is consistent with the industry forecasts for the generic API market.

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

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

	Movement
Terminal growth rate	3.00% decrease (3.00% decrease)
Post tax discount rate	6.90% increase (6.45% increase)
Expected net revenue growth rates	6.30% decrease for short term and 3.0% decrease for long term (9% decrease for short term and 3.0% decrease for long term)

The details given in brackets relate to previous year

NOTE NO. 8 OTHER INTANGIBLE ASSETS

₹ in Crores

Particulars	Gross block				Accumulated amortisation				Net block	
	As at April 01, 2024	Additions	Disposals	As at March 31, 2025	As at April 01, 2024	Amortisation for the year	Eliminated on disposal	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024
Registrations and brands	4.33	-	-	4.33	2.46	0.41	-	2.87	1.46	1.87
	(4.33)	-	-	(4.33)	(2.05)	(0.41)	-	(2.46)	(1.87)	(2.28)
Product portfolio (Refer note (ii) below)	105.50	-	-	105.50	69.12	10.64	-	79.76	25.74	36.38
	(105.50)	-	-	(105.50)	(58.48)	(10.64)	-	(69.12)	(36.38)	(47.02)
Software and licenses	28.12	0.06	-	28.18	23.81	1.77	-	25.58	2.60	4.31
	(26.67)	(1.45)	-	(28.12)	(21.62)	(2.19)	-	(23.81)	(4.31)	(5.05)
Total	**137.95**	**0.06**	**-**	**138.01**	**95.39**	**12.82**	**-**	**108.21**	**29.80**	**42.56**
Previous year	**(136.50)**	**(1.45)**	**-**	**(137.95)**	**(82.15)**	**(13.24)**	**-**	**(95.39)**	**(42.56)**	**(54.35)**

Notes:

(i) Figures in brackets relates to previous year.

(ii) The remaining amortisation period of product portfolio as at March 31, 2025 is 2.5 years (March 31, 2024: 3.5 years).

Notes

to the standalone financial statements for the year ended March 31, 2025

NOTE NO. 9 INVESTMENTS

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
(A) Investments in subsidiaries (carried at cost less provision for impairment):		
Equity shares, unquoted		
Shasun USA Inc., USA		
- 15,000 (As at March 31, 2024 - 15,000) shares of USD 1 each fully paid up	0.05	0.05
Less: Provision for other than temporary diminution in value	(0.05)	-
	-	0.05
Sequent Penems Private Limited, India		
- Nil (As at March 31, 2024 - 4,525,826) shares of ₹ 10 each fully paid up	-	14.30
Less: Provision for other than temporary diminution in value	-	(1.80)
	-	12.50
Chemsynth Laboratories Private Limited, India		
- 3,362,745 (As at March 31, 2024 - 3,362,745) shares of ₹ 10 each fully paid up	3.36	3.36
Less: Provision for other than temporary diminution in value	(3.36)	(3.36)
	-	-
Total [A]	**-**	**12.55**
(B) Investments carried at fair value through profit and loss:		
Equity shares, unquoted		
Tulysan Nec Limited, India		
- 3,750 (As at March 31, 2024 - 3,750) shares of ₹ 10 each fully paid up	0.01	0.01
Watsun Infrabuild Private Limited, India		
- 3,68,694 (As at March 31, 2024 - 3,68,694) shares of ₹ 10 each fully paid up	0.37	0.37
Vaayu Renewable Energy (Muthamalpuram) Private Limited.	0.00	0.00
- 2,600 (As at March 31, 2024 - 2,600) shares of ₹ 10 each fully paid up		
Investment in Huoban Energy 3 Private Limited	1.28	1.28
- 7,07,182 (As at March 31, 2024 - 7,07,182) shares of ₹ 10 each fully paid up		
SIPCOT Industrial Common Utilities Limited, India		
- 4,242 (As at March 31, 2024 - 4,242) shares of ₹ 100 each fully paid up	0.04	0.04
Total [B]	**1.70**	**1.70**
Total [A+B]	**1.70**	**14.25**
Aggregate amount of unquoted investments	1.70	14.25
Aggregate amount of investments carried at cost	-	12.55
Aggregate amount of financial assets carried at fair value through profit and loss	1.70	1.70

Note:

(i) The Board of the Company had approved the transfer of 100% shareholding in Sequent Penems Private Limited, a wholly owned subsidiary, through a circular resolution dated March 22, 2024. The Company had entered into share purchase agreement on March 28, 2024 to sell entire investments for a consideration of ₹12.50 Crores. Accordingly, the Company had accounted for impairment on investments in this subsidiary of ₹1.80 crores during the previous year ended March 31, 2024. During the year ended March 31, 2025, the investments in the subsidiary were transferred on April 25, 2024.

During the previous year, the Company had received advance of ₹11.54 Crores for the aforesaid transaction which was disclosed under note 24(ii) - other current liabities.

Due to the above sale, certain assets of the Company were no longer usable. Hence, the Company had written off these assets, amounting to ₹2.53 crores and disclosed under exceptional items during the previous year ended March 31, 2024.

NOTE NO. 10 LOANS

(i) Non-current loans

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured, considered doubtful:		
Loan to related party	1.34	1.34
- Less: Provision for doubtful loans	(1.34)	(1.34)
Total	**-**	**-**

(ii) Current loans

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Considered good - unsecured:		
Loans to employees	0.02	0.34
Total	**0.02**	**0.34**

NOTE NO. 11 OTHER FINANCIAL ASSETS

(i) Non-current financial assets

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Considered good - unsecured:		
Security deposits	16.32	15.35
Total	**16.32**	**15.35**

(ii) Current financial assets

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Considered good - unsecured:		
Interest accrued on deposit	0.02	0.01
Incentives receivables	12.23	7.41
Insurance claim receivables	0.11	-
Total	**12.36**	**7.42**

NOTE NO. 12 DEFERRED TAX BALANCES

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax assets	-	-
Deferred tax liabilities	-	-
Deferred tax asset / (liability) (net)	**-**	**-**

₹ in Crores

2024-25	Opening balance	Recognised in statement of profit or loss	Recognised in other comprehensive income	Closing balance
Property, plant and equipment	(75.34)	6.20	-	(69.14)
Intangible assets - other than goodwill	(11.52)	5.96	-	(5.56)
Carry forward business loss and unabsorbed depreciation	86.86	(12.16)	-	74.70
Total	**-**	**-**	**-**	**-**

₹ in Crores

2023-24	Opening balance	Reversal of deferred tax asset including MAT credit (refer below note iii)	Recognised in other comprehensive income	Closing balance
Property, plant and equipment	(73.44)	(1.90)	-	(75.34)
Intangible assets - other than goodwill	(9.87)	(1.65)	-	(11.52)
Right-of-use assets	4.75	(4.75)	-	-
Provision for employee benefits	17.95	(17.95)	-	-
Provision for doubtful receivables	10.02	(10.02)	-	-
Carry forward business loss and unabsorbed depreciation	59.18	27.68	-	86.86
MAT Credit entitlement	69.95	(69.95)	-	-
Total	**78.54**	**(78.54)**	**-**	**-**

Notes:

(i) The Company has presently, decided not to opt for the New Tax Regime inserted as section 115BAA of the Income-tax Act, 1961 and enacted by the Taxation Laws (Amendment) Ordinance, 2019 ('the Ordinance') which is applicable from Financial Year beginning April 1, 2019. The Company has accordingly applied the existing tax rates in the financial statements for the year ended March 31, 2025

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

(iii) The Company has significant carried forward losses under income tax act. While the Company expects to increase operations in the future, in view of the significant carried forward losses and resulting impact on future taxable profits, the Company has written off Deferred tax assets (including MAT credit entitlement) amounting to 78.54 crores during the previous year ended March 31, 2024 and also, the Company has restricted the recognized Deferred Tax Asset up to the amount of the Deferred Tax Liability.

(iv) Based on legal advice received by the Company, the Company has claimed in its income tax returns, depreciation on Goodwill and Product Portfolios relating to both businesses acquired through the aforesaid demerger. These claims were disallowed by the assessing officer. The Company has preferred appeal with Commisisoner of income tax (appeals). Order against appeal had been passed vide order dated April 18, 2024, confirming disallowance of depreciation on goodwill & product portfolio and the Company has filed an appeal before the ITAT against it on May 06, 2024.The Company has not recognised deferred tax assets in the books of account in respect of claims relating to depreciation on the Goodwill relating to both the businesses and Product portfolio (relating to the Commodity API business). While the Company has consistently taken a view as aforesaid in the books of account, the Company has been legally advised that the claims made in the tax returns are tenable. As at March 31, 2025, the potential unrecognised claims in respect of the above is amounting to ₹600.38 Crores (₹591.22 crores as on March 31, 2024). The benefit of these tax credits will be evaluated and recognized in the year in which, based on management's best judgement, such credits are confirmed to be available for future set offs against taxable profits. Also refer note 38, regarding income tax litigations.

(v) In addition to above, the Company has not recognised deferred tax assets ₹160.04 crores as on March 31, 2025 (₹173.93 crores as on March 31, 2024) relating to carried forward loss (including unabsorbed depreciation) as there is no reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

NOTE NO. 13 INCOME TAX ASSETS (NET)

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Advance income tax (net of provisions)	4.51	3.61
Total	**4.51**	**3.61**

NOTE NO. 14 OTHER ASSETS

(i) Other non-current assets

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Considered good - unsecured:		
Capital advances	6.69	4.80
Prepaid expenses	0.43	0.48
Considered doubtful - unsecured:		
Capital advances	0.66	0.61
Advances to others	7.55	7.55
Less: Allowance for doubtful advances	(8.21)	(8.16)
	-	-
Total	**7.12**	**5.28**

(ii) Other current assets

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Considered good - unsecured:		
Advances to suppliers	9.47	11.34
Advances to employees	0.38	-
Prepaid expenses	16.23	11.42
Balances with Government authorities:		
- GST credit & other receivable	41.70	40.73
Considered doubtful - unsecured:		
Advances to suppliers	0.01	0.06
Less: Allowance for doubtful advances	(0.01)	(0.06)
	-	-
Total	**67.78**	**63.49**

NOTE NO. 15 INVENTORIES

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Raw materials	77.81	80.04
- Goods-in-transit	1.53	2.07
Work-in-progress	159.81	142.85
Finished goods	70.51	126.47
Stores and spares	8.24	8.27
Total	**317.90**	**359.70**

Note:

(i) Value by which inventories have been written down to net realisable value amounted to ₹130.22 Crores (including provision of ₹122.81 crores as per below note (ii)) (As at March 31, 2024: ₹133.74 Crores) (including provision of ₹122.81 crores as per below note (ii)).

(ii) The Company has been carrying inventories relating to Covid/ anti-viral drugs manufactured during the pandemic amounting to ₹122.81 Crores. With World Health Organisation ("WHO") declaring end of pandemic phase of Covid -19 and in the absence of immediate alternate market for these inventories identified by the Company based on its efforts until March 31, 2024, the Company has conservatively provided for the aforesaid inventories during the year ended March 31, 2024. The Company continue to explore the possibility of liquidating the same within its shelf life.

NOTE NO. 16 TRADE RECEIVABLES

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivables considered good - unsecured	329.97	352.46
Trade receivables - credit impaired	25.95	25.95
	355.92	378.41
Less: Loss allowance	(29.35)	(27.19)
Total	**326.57**	**351.22**

Notes:

(i) Outstanding for the following period from due date of payments as at March 31, 2025:

₹ in Crores

Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2025
(i) Undisputed Trade Receivables - Considered Good	263.56	43.37	4.56	18.39	0.09	-	329.97
(ii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	19.81	19.81
(iii) Disputed Trade Receivables - credit impaired	-	-	-	-	6.14	-	6.14
Total	**263.56**	**43.37**	**4.56**	**18.39**	**6.23**	**19.81**	**355.92**

(ii) Outstanding for the following period from due date of payments as at March 31, 2024:

₹ in Crores

Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2024
(i) Undisputed Trade Receivables - Considered Good	195.71	119.42	21.29	14.45	1.59	-	352.46
(ii) Undisputed Trade Receivables - credit impaired	-	-	-	-	19.81	-	19.81
(iii) Disputed Trade Receivables - Considered Good	-	-	-	6.14	-	-	6.14
Total	**195.71**	**119.42**	**21.29**	**20.59**	**21.40**	**-**	**378.41**

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

(iv) Movement in Loss allowance:

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	27.19	16.20
Movement in loss allowance on trade receivables calculated at lifetime expected credit losses	2.16	10.99
Closing balance	**29.35**	**27.19**

(v) During the previous year ended March 31, 2024, the Company had received claims of ₹43.80 crores from two of its related party customers. Pursuant to settlement agreement between parties, claims aggregating to ₹36.79 crores have been adjusted against 'Revenue from operations' and ₹7.01 crores has been included under 'Other expenses' during the previous year ended March 31, 2024.

The Company has receivables from customers mentioned above amounting to ₹0.27 crores (March 31, 2024- ₹16.34 Crores).

NOTE NO. 17 CASH AND CASH EQUIVALENTS

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Cash on hand	0.02	0.02
Balance with banks:		
- In current accounts	3.00	2.95
- In deposit accounts	0.79	5.35
Total	**3.81**	**8.32**

NOTE NO. 18 BANK BALANCES OTHER THAN ABOVE

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
In earmarked accounts:		
Unpaid dividend accounts	0.16	0.16
Total	**0.16**	**0.16**

NOTE NO. 19 EQUITY SHARE CAPITAL

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Authorised		
120,000,000 equity shares of ₹10/- each with voting rights	120.00	120.00
(March 31, 2024: 120,000,000 equity shares of ₹10/- each)		
	120.00	**120.00**
Issued, subscribed and fully paid-up		
36,054,267 equity shares of ₹10/- each fully paid with voting rights (March 31, 2024: 35,996,267 equity shares of ₹10/- each)	36.06	36.00
11,998,755 equity shares of ₹10/- each paid up ₹ 3.5/- per share with voting rights	4.19	-
Total	**40.25**	**36.00**

(i) Reconciliation of number of shares and amount outstanding (fully paid up)

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	₹in Crores	No. of shares	₹in Crores
Equity share capital				
Equity share of ₹10/- each				
Opening balance	**3,59,96,267**	**36.00**	**3,59,96,267**	**36.00**
Issue of shares pursuant to pursuant to exercise of stock options (Refer note 43)	58,000	0.06	-	-
Closing balance	**3,60,54,267**	**36.06**	**3,59,96,267**	**36.00**

(ii) Reconciliation of number of shares and amount outstanding (partly paid up)

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	₹in Crores	No. of shares	₹in Crores
Equity share capital				
Equity share of ₹10/- each				
Opening balance	**-**	**-**	**-**	**-**
Shares issued pursuant to Rights issue (Refer note 53)	1,19,98,755	4.19	-	-
Closing balance	**1,19,98,755**	**4.19**	**-**	**-**

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

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

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

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	%	No. of shares	%
Fully paid equity shares				
TPG Growth IV SF Pte. Ltd.	12,55,149	3.48%	41,30,321	11.47%
Spiracca Ventures LLP	37,08,503	10.29%	37,58,500	10.44%
Pronomz Ventures LLP	26,74,424	7.42%	23,32,463	6.48%
Partly paid equity shares				
Devicam Capital LLP	64,24,262	53.54%	-	-

(v) Shares held by promoters at the end of the year (fully paid up):

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Arun Kumar Pillai	16,68,463	-	16,68,463	4.63%	0.00%
Karuna Business Solutions LLP	69,526	-	69,526	0.19%	0.00%
Pronomz Ventures LLP	23,32,463	3,41,961	26,74,424	7.42%	14.66%
SRJR Enterprise LLP	17,00,100	-	17,00,100	4.72%	0.00%
K R Ravishankar	13,25,260	-	13,25,260	3.68%	0.00%
Chayadeep Ventures LLP	10,12,400	-	10,12,400	2.81%	0.00%
Agnus Capital LLP	8,49,635	-	8,49,635	2.36%	0.00%
Chayadeep Properties Private Limited	5,25,730	-	5,25,730	1.46%	0.00%
Devicam Capital LLP	10,39,298	-	10,39,298	2.88%	0.00%
Karuna Ventures Private Limited	11,105	-	11,105	0.03%	0.00%
Deepa Arun Kumar	58,002	-	58,002	0.16%	0.00%
Tarini Arun Kumar	53,333	-	53,333	0.15%	0.00%
Aditya Arun Kumar	53,333	-	53,333	0.15%	0.00%
Vineetha Mohanakumar Pillai	24,166	-	24,166	0.07%	0.00%
Padmakumar Karunakaran Pillai	41,393	-	41,393	0.11%	0.00%
Hemalatha Pillai	45,813	-	45,813	0.13%	0.00%
Sajitha Pillai	53,333	-	53,333	0.15%	0.00%
Rajitha Gopalakrishnan	27,500	-	27,500	0.08%	0.00%
K R Lakshmi	21,727	-	21,727	0.06%	0.00%
Agraganya Private Trust	61,224	-	61,224	0.17%	0.00%
Total	**1,09,73,804**	**3,41,961**	**1,13,15,765**		

(vi) Shares held by promoters at the end of the year (partly paid up):

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Devicam Capital LLP	-	64,24,262	64,24,262	53.54%	100.00%
Agraganya Private Trust	-	4,62,160	4,62,160	3.85%	100.00%
Padmakumar Karunakaran Pillai	-	13,797	13,797	0.11%	100.00%
Vineetha Mohanakumar Pillai	-	8,055	8,055	0.07%	100.00%
K R Lakshmi	-	7,242	7,242	0.06%	100.00%
	-	**69,15,516**	**69,15,516**		

(vii) Details of equity shares of ₹10/- each reserved for issuance:

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Towards employee stock options	13,08,778	1.31	4,06,778	0.41

NOTE NO. 20 OTHER EQUITY

₹ in Crores

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
Capital reserve	20 (i)	0.01	0.01
Securities premium account	20 (ii)	1,368.66	1,216.03
Retained earnings	20 (iii)	(316.00)	(316.27)
Share options outstanding account	20 (iv)	3.29	1.65
Total		**1,055.96**	**901.42**

₹ in Crores

Particulars	As at March 31, 2024	As at March 31, 2024
(i) Capital reserve		
Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserve.		
Opening balance	0.01	0.01
Closing balance	**0.01**	**0.01**
(ii) Securities premium account		
Amounts received on issue of shares in excess of the par value has been classified as securities premium.		
Opening balance	1,216.03	1,216.03
Add: Premium on Issue of Share during the year pursuant to Right issue	153.28	-
Add: Premium on Issue of Share during the year pursuant to ESOP	2.24	-
Less: Share issue expenses related to Rights issue	(2.89)	-
Closing balance	**1,368.66**	**1,216.03**
(iii) Retained earnings		
Retained earnings comprises of the amounts that can be distributed by the Company as dividends to its equity share holders		
Opening balance	(316.27)	250.04
Add: Net profit for the year	(1.08)	(566.87)
Add: Transfer to retained earnings on stock options lapsed during the year	0.29	-
Add: Other comprehensive income arising from measurement of defined benefit obligation (net of tax)	1.06	0.56
Closing balance	**(316.00)**	**(316.27)**
(iv) Share options outstanding account		
The share option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account will be transferred to securities premium reserve upon exercise of stock options by employees.		
Opening balance	1.65	1.05
Add: Employee stock compensation expenses (net)	2.68	0.60
Less: Transferred to securities premium account on exercise (net)	(0.75)	-
Less: Transfer to retained earnings on stock options lapsed during the year	(0.29)	
Closing balance	**3.29**	**1.65**
Total Reserves and surplus	**1,055.96**	**901.42**

Notes:

Distributions made:

(i) The Company has not declared any dividend during the year ended March 31, 2025 and March 31, 2024.

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

NOTE NO. 21 BORROWINGS

(i) Non-current borrowings

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Secured		
Term loans from banks (Refer note (i) to (v) below)	40.91	85.12
Term loans from others (Refer note (vi) & (vii) below)	72.95	20.71
Total	**113.86**	**105.83**

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

₹ in Crores

Terms of repayment and security	As at March 31, 2025	As at March 31, 2024
(i) Term loans from banks: Loan 1		
Non-current borrowings	-	-
Current maturities of non-current borrowings - Repayable on demand	23.72	71.16
Security: First Paripassu Charge on the Immovable Property, plant and equipment located at Pondicherry, Mangalore and Mysore of the Company and on all the movable Property, Plant and equipment of the Company and Second Charge on Current Assets of the Company. Rate of interest: - 1 Year MCLR plus 1.65% p.a, (MCLR - 9.60%) Repayment terms: ₹3.95 Cr per month starting from March 2022		
(ii) Term loans from banks: Loan 2		
Non-current borrowings	-	10.53
Current maturities of non-current borrowings	10.53	10.12
Security: First Paripassu Charge on the Movable and Immovable Property, plant and equipment (except lease hold land at Cuddalore, Vizag and Ambernath) of the Company and Second Charge on Current Assets of the Company. Rate of interest: - 6 months MCLR plus 1.00% p.a, (MCLR - 9.75%) Repayment terms: 0.98 Cr per month starting from February 2022		
(iii) Term loans from banks: Loan 3		
Non-current borrowings	14.50	32.56
Current maturities of non-current borrowings	18.11	16.35
Security: First paripassu charge on the movable and immovable Property, plant and equipment (except lease hold land at Cuddalore, Vizag and Ambernath) and second paripassu charge on current assets of the Company. Rate of interest: - 6 months MCLR plus 1.20% p.a, (MCLR - 9.30%) Repayment terms: ₹1.72 Cr EMI per month ,starting from November 2022		
(iv) Term loans from banks: Loan 4		
Non-current borrowings	-	-
Current maturities of non-current borrowings	-	11.67
Security: First paripassu charge on all moveable & immoveable Property, plant and equipment (except lease hold land at Cuddalore , Vizag and Ambernath) and second paripassu charge on all current assets of the Company. Rate of interest: - 10.5% p.a Repayment terms: Rs.1.67 Cr per month		
(v) Term loans from banks: Loan 5		
Non-current borrowings	26.41	42.03
Current maturities of non-current borrowings	15.05	15.00
Security: First paripassu charge on all Property, plant and equipment (except lease hold land at Cuddalore, Vizag and Ambernath) of the Company present & future including intangible Assets, second paripassu on all current assets of the Company both present & future. Rate of interest: - 6 Months MCLR plus 1.50% p.a, (MCLR - 10.45%) Repayment terms: ₹1.17 Cr per month starting from February 2023		
(vi) Term loans from others: Loan 6		
Non-current borrowings	10.62	20.71
Current maturities of non-current borrowings	10.08	8.98
Security: First paripassu charge on all Property, plant and equipment (except lease hold land at Cuddalore, Vizag and Ambernath) of the Company present & future including intangible Assets, second paripassu on all current assets of the Company both present & future. Rate of interest: Long term reference rate of Lender +/- Spread p.a Repayment terms: ₹0.99 Cr EMI per month starting from January 2022		

₹ in Crores

Terms of repayment and security	As at March 31, 2025	As at March 31, 2024
(vii) Term loans from others: Loan 7		
Non-current borrowings	62.33	-
Current maturities of non-current borrowings	11.81	-
Security: First pari passu charge on all Property, plant and equipment (except lease hold land at Cuddalore, Vizag and Ambernath) of the Company present & future including intangible Assets, second paripassu on all current assets of the Company both present & future. Rate of interest: Long term reference rate of Lender +/- Spread p.a Repayment terms: ₹1.66 Cr EMI per month starting from March 2025		

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Disclosed under non-current borrowings	113.86	105.83
Disclosed under current borrowings		
- Current maturities of non-current borrowings	89.30	133.28

During the financial year ended March 31, 2025, for non-current borrowings aggregating to ₹203.16 crores (including current maturities of non-current borrowings), some of the financial covenants have been breached mainly due to temporary softness in demand for some of the key products. The Company has made representation to the lenders to waive from the testing of financial covenants for the year ended March 31, 2025.

(ii) Current borrowings

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Secured loans repayable on demand from banks:		
Working capital loans	535.40	669.27
Current maturities of non-current borrowings (Refer note 21(i))	89.30	133.28
Unsecured loans		
Loans from others	37.50	73.00
Loans from Related Party (Refer note 40C)	-	18.00
Total	**662.20**	**893.55**

Details of security for the current borrowings repayable on demand:

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

b) Rate of interest for INR borrowings ranges from 9.15% to 11.75%

c) Rate of interest for USD borrowings ranges from 6.15% to 10.22%

d) Rate of interest for Unsecured borrowings ranges from 15.00% to 18.00%

(iii) Reconciliation between the opening and closing balance in balance for financial labilities arising form financial activites are given below

₹ in Crores

Particulars	As at March 31,2024	Net proceeds/ (Repayment)	Non cash changes *	As at March 31, 2025
Non current borrowings (including current maturities)	239.11	(35.95)	-	203.16
Current borrowings	760.27	(185.43)	(1.94)	572.90

* Non cash changes includes unamoritsed processing cost and unrealised foreign exchange loss/gain

₹ in Crores

Particulars	As at March 31, 2023	Net proceeds/ (Repayment)	Non cash changes *	As at March 31,2024
Non current borrowings (including current maturities)	352.35	(113.60)	0.36	239.11
Current borrowings	648.80	111.45	0.02	760.27

*Non cash changes includes unamoritsed processing cost and unrealised foreign exchange loss/gain

NOTE NO. 22 OTHER FINANCIAL LIABILITIES

(i) Other non-current financial liabilities

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Security deposits	0.42	0.42
Total	**0.42**	**0.42**

(ii) Other current financial liabilities

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Advance from related party	-	0.18
Interest accrued but not due on borrowings	5.09	3.38
Unclaimed dividends*	0.16	0.16
Other payables:		
Payables on purchase of property, plant and equipment	12.64	9.98
Total	**17.89**	**13.70**

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

NOTE NO.23 PROVISIONS

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits:		
Compensated absences	12.08	12.05
Total	**12.08**	**12.05**
Non-current	9.85	10.08
Current	2.23	1.97

NOTE NO.24 OTHER LIABILITIESS

(i) Other non-current liabilities

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits:		
Gratuity (Refer note 39)	48.92	43.59
Total	**48.92**	**43.59**

(ii) Other current liabilities

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Contract liability:		
Advance from customers	0.78	4.19
Other Advance {refer note 9(i)}	-	11.54
Other payables:		
- Statutory liabilities	4.24	4.49
- Payable to employees	5.89	-
Total	**10.91**	**20.22**

Note:

(i) During the year ended March 31, 2025, the Company recognised revenue of ₹4.12 Crores (March 31, 2024: ₹7.20 Crores) arising from opening contract liability as of April 1, 2024.

NOTE NO. 25 TRADE PAYABLES

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Trade payables:		
Dues of micro and small enterprises (Refer note (iii) below)	37.99	10.63
Dues of other than micro and small enterprises	204.60	297.07
Total	**242.59**	**307.70**

Note:

(i) Outstanding for the following year from due date of payments as at March 31, 2025

₹ in Crores

Particulars	Not due*	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2025
(i) MSME	32.32	5.67	-	-	-	37.99
(ii) Others	139.01	60.18	4.10	0.76	0.55	204.60
Total	**171.33**	**65.85**	**4.10**	**0.76**	**0.55**	**242.59**

* Includes unbilled dues of ₹ 13.33 Crores

(ii) Outstanding for the following year from due date of payments as at March 31, 2024

₹ in Crores

Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2024
(i) MSME	6.75	3.88	-	-	-	10.63
(ii) Others	200.28	89.82	6.29	0.26	0.42	297.07
Total	**207.03**	**93.70**	**6.29**	**0.26**	**0.42**	**307.70**

*Includes unbilled dues of ₹41.00 Crores

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

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
(i) The principal amount due to micro and small enterprises remaining unpaid to any supplier as at the end of each year	36.97	10.63
(ii) The interest due to micro and small enterprises remaining unpaid to any supplier as at the end of each year	0.11	-
(iii) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	0.91	-
(v) The amount of interest accrued and remaining un-paid at the end of each accounting year	1.02	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductable expenditure under the MSMED Act, 2006	-	-

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

Notes

to the standalone financial statements for the year ended March 31, 2025

NOTE NO. 26 REVENUE FROM OPERATIONS

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Sale of products	1,227.98	1,226.47
Sale of services	13.48	11.92
Other operating revenues (Refer note (d) below)	42.30	50.53
Total	**1,283.76**	**1,288.92**

Disaggregated revenue information

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

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from contracts with customers		
Asia Pacific	838.42	720.65
Europe	259.80	296.86
North America	75.05	87.15
South America	59.83	5.83
Rest of the World	8.36	127.90
Subtotal	**1,241.46**	**1,238.39**
Revenue from other sources		
Other operating revenues	42.30	50.53
Subtotal	**42.30**	**50.53**
Total	**1,283.76**	**1,288.92**

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

(b) Revenue from major customers

Revenue from one customer of the Company during the year ended March 31, 2025 was ₹216.14 Cr which is individually more than 10 percent of the Company's total revenue for the year. Revenue from such customer during previous year was ₹130.57 crores.

(c) Reconciliation of revenue from contracts with customers

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from contracts with customers as per the contract price	1,333.46	1,338.00
Adjustment made to contract price on account of:-		
a) discounts/Rebates//Claims	-	(48.77)
b) Sales returns/reversals	(92.00)	(50.84)
Revenue from Contracts with customers as per the Statement of profit and loss	**1,241.46**	**1,238.39**

(i) Other operating revenue comprises:

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Export incentives	14.61	14.82
Share of profit	1.17	1.62
Sale of by-products and scrap	26.52	34.09
Total	**42.30**	**50.53**

Performance obligations and remaining performance obligations:

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

NOTE NO. 27 OTHER INCOME

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest income (Refer note (i) below)	0.76	2.22
Rental income from investment properties	1.02	0.97
Other non-operating income		
- Liabilities / provisions no longer required written back	5.25	0.43
- Profit on sale of property, plant and equipment (net)	-	0.36
- Insurance claims	0.46	0.45
- Exchange fluctuation gain (net)	1.64	0.67
- Others	0.01	0.27
Total	**9.14**	**5.37**

Note:

(i) Interest income comprises:

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest from banks on deposits	0.10	0.17
Interest on loans and advances	-	1.66
Interest from others	0.66	0.39
Total	**0.76**	**2.22**

NOTE NO. 28 COST OF MATERIALS CONSUMED

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening stock	82.11	119.20
Add: Purchases	578.89	774.91
Less: Closing stock	(79.34)	(82.11)
Less : Inventory loss on account of fire at Puducherry facility (refer note 51)	-	(51.35)
Cost of materials consumed	**581.66**	**760.65**

NOTE NO. 29 PURCHASES OF STOCK-IN-TRADE

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Traded goods	5.75	5.10
Total	**5.75**	**5.10**

NOTE NO. 30 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Inventories at the end of the year:		
- Finished goods	70.51	126.47
- Work-in-progress	159.81	142.85
	230.32	**269.32**
Inventories at the beginning of the year:		
- Finished goods	126.47	155.78
- Work-in-progress	142.85	274.99
	269.32	**430.77**
Less: Shown under exceptional items	-	(122.18)
Net (increase) / decrease	**39.00**	**39.27**

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

NOTE NO. 31 EMPLOYEE BENEFITS EXPENSES

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries and wages	177.59	206.00
Contribution to provident and other funds (Refer note 39)	18.55	20.26
Share based payments (Refer note 43)	2.68	0.60
Other employee benefits	15.93	19.71
Less: Transfer to capital work in progress	(3.07)	(2.65)
Total	**211.68**	**243.92**

NOTE NO. 32 FINANCE COSTS

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest costs:		
- Interest on bank overdrafts and loans	101.20	107.55
- Other interest expense	2.02	1.55
- Less: Amounts included in the cost of qualifying assets	-	(9.72)
Exchange difference regarded as an adjustment to borrowing costs	4.19	1.54
Interest on lease liability	1.96	1.30
Other finance costs	5.44	3.75
Total	**114.81**	**105.97**

NOTE NO. 33 DEPRECIATION AND AMORTISATION EXPENSES

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation of property, plant and equipment (Refer note 3)	83.48	87.84
Depreciation of investment properties (Refer note 6)	0.11	0.37
Depreciation of right-of-use assets (Refer note 4(i))	2.84	1.58
Amortisation of intangible assets (Refer note 8)	12.82	13.24
Total	**99.25**	**103.03**

NOTE NO. 34 OTHER EXPENSES

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Subcontracting	14.28	17.97
Power and fuel	90.87	120.28
Water	3.50	2.28
Rent including lease rentals	2.67	2.76
Repairs and maintenance:		
- Buildings	2.10	3.19
- Machinery	14.83	23.14
- Others	17.33	31.51
Insurance	9.10	8.64
Rates and taxes	1.85	2.54
Communication	1.58	1.92
Travelling and conveyance	2.98	4.25
Printing and stationery	1.95	2.40
Freight and forwarding	20.17	19.63
Sales commission	3.46	11.25
Business promotion	0.68	3.30

NOTE NO. 34 OTHER EXPENSES (CONTD.)

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Donations and contributions	0.33	0.26
Expenditure on Corporate Social Responsibility (Refer note (i) below)	0.65	1.27
Analytical charges	0.71	0.68
Regulatory expenses	3.62	4.72
Legal and professional fees	13.41	12.95
Payments to statutory auditors (Refer note (ii) below)	0.83	0.76
Bad debts written off / Allowance for doubtful trade and other receivables	3.79	10.99
Consumption of stores and spares	19.26	33.50
Miscellaneous expenses	11.88	14.85
Total	**241.83**	**335.04**

Notes:

(i) Expenditure on Corporate Social Responsibility:

₹ in Crores

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(i)	amount required to be spent by the company during the year,	-	0.53
(ii)	amount of expenditure incurred,	0.65	1.27
(iii)	set off from previous year excess spent	-	-
(iv)	shortfall / (excess) at the end of the year,	(0.65)	(0.74)
(v)	total of previous years shortfall,	-	-
(vi)	reason for shortfall,	Not applicable	Not applicable
(vii)	nature of CSR activities	Drive socially inclusive and need-based interventions in the realms of health, hygiene, sanitation and education.	
(viii)	details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	-	-
(ix)	where a provision is made with respect to a liability incurred by entering into a contractual obligation,	-	-

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

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
- Audit of standalone and consolidated financial statements including limited review	0.75	0.66
- Other services	0.03	0.02
- Reimbursement of expenses	0.05	0.08
Total	**0.83**	**0.76**

NOTE NO. 35 EXCEPTIONAL ITEM GAIN/ (LOSS) (NET)

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Exceptional loss on account of fire at Puducherry facility (refer Note 51)	-	62.50
Provision for diminution in the value of investment (refer Note 52)	-	1.80
Write off of Property, plant and equipment (refer Note 52)	-	2.53
Provision for Inventory (refer Note 15(ii))	-	122.81
Total	**-**	**189.64**

Notes

to the standalone financial statements for the year ended March 31, 2025

NOTE NO. 36 TAX EXPENSES

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Continuing operations		
Current tax		
Current tax expenses	-	-
Deferred tax benefit		
Deferred tax (credit) / expenses	-	8.59
MAT credit reversal	-	69.95
Net tax expense	**-**	**78.54**

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

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before income taxes:	(1.08)	(488.33)
Indian statutory income tax rate	34.94%	34.94%
Expected income tax expense	**(0.38)**	**(170.64)**
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expenses:		
Effect of expenses that are not deductible in determining taxable profit	0.70	0.53
Effect of Deferred Tax assets not recognised & reversal of MAT credit (refer note 12(iii))	-	78.54
Effect of unrecognised deferred tax assets on product portfolio (refer note 12(iv))	3.20	4.27
Effect of unrecognised deferred tax assets	(3.61)	165.34
Others (net)	0.09	0.50
Total income tax expense	**-**	**78.54**

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

NOTE NO. 37 DETAILS OF RESEARCH AND DEVELOPMENT EXPENDITURE INCURRED (CHARGED TO STATEMENT OF PROFIT AND LOSS)

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Inhouse:		
Salaries and wages	13.68	19.34
Depreciation and amortisation expenses	6.97	6.46
Materials	0.15	0.58
Consumption of Stores & Spares	3.43	14.62
Power and fuel	1.53	2.27
Rent including lease rentals	1.74	1.67
Others	13.95	11.04
Total	**41.45**	**55.98**

In addition, the Company has also incurred capital expenditure in such facilities of ₹0.25 Crores (March 31, 2024: ₹ 1.89 Crores) which has been capitalised under respective heads in the financial statements.

NOTE NO. 38 COMMITMENTS AND CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
a) Contingent liabilities - Pending Litigations		
i) Indirect taxes	5.78	5.96
ii) Direct taxes a) The Company has received assessment orders from the assessing officer. For the assessment year 2018-19, the officer disallowed the Company's claim for depreciation on goodwill and product portfolio. Order against appeal had been passed vide order dated April 18, 2024, confirming disallowance of depreciation on goodwill & product portfolio and the Company has filed an appeal before the ITAT against it on May 06, 2024. b) For the assessment year 2020-21, the officer disallowed the Company's claim for weighted deduction under Section 35(2AB), depreciation on goodwill and product portfolio, and deemed income under Section 41.The Company had preferred appeal with Commisisoner of income tax (appeals).Order against appeal had been passed vide order dated March 31, 2024, confirming disallowance of depreciation on goodwill & product portfolio, deduction u/s 35(2AB) & addition u/s 41 of the Act. However, issue with regard to alternate claim of deduction u/s 35(1) of the Act as against Section 35(2AB), set-off of carried forward losses and credit for taxes paid have been remanded back to AO. Company has filed an appeal before the ITAT against it on May 06, 2024. c) Our Company has filed a tax appeal before the CIT (A) against an assessment order dated March 21, 2024 and an assessment order dated March 17, 2025 ("Assessment Orders") passed by National Faceless Assessment Centre ("NFAC") for Assessment Year 2022-23 and 2023-24. Pursuant to the Assessment Orders, the NFAC disallowed depreciation claimed on product portfolio claimed u/s 32(1)(ii) of the Income Tax Act, 1961 ("IT Act") amounting to ₹30.05 crore and ₹24.05 crore respectively and accordingly demand notices were issued for a sum of ₹Nil. The Company has in its return of income for subsequent years also has claimed the aforesaid allowances. Refer note 12 (iv) for details.	-	-
b) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
- Property, plant and equipment	50.92	36.32
- Intangible assets	0.91	0.35

NOTE NO. 39 EMPLOYEE BENEFITS PLANS

Defined contribution plan

The Company makes contributions to provident fund and employee state insurance schemes which are defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll cost to fund the benefits.The Company recognised ₹11.14 Crores (March 31, 2024: ₹12.81 Crores) for provident fund contributions, ₹0.02 Crores (March 31, 2024: ₹0.10 Crores) for employee state insurance scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Defined benefit plan

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

Composition of the plan assets

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

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

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

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

Particulars	Valuation as at	
	March 31, 2025	March 31, 2024
Discount rate	6.65%	7.19%
Expected rate of salary increase	Year 1- 7.50% thereafter- 6.50%	Year 1- 7.50% thereafter- 6.50%
Attrition rate	11.00%	11.00%
Mortality Rate	As per IALM (2012-14) ultimate	As per IALM (2012-14) ultimate
Retirement age (years)	Karnataka - 60 years, Other - 58 years	Karnataka - 60 years, Other - 58 years

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

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Service cost:		
Current service cost	4.30	4.45
Net interest expense	2.72	2.49
Components of defined benefit costs recognised in statement of profit and loss	**7.02**	**6.94**
Remeasurement on the net defined benefit liability:		
Return on plan assets [excluding amounts included in net interest expense] (excess) / short return	0.34	0.43
Actuarial (gains) / losses arising from changes in financial assumptions	1.97	0.54
Actuarial (gains) / losses arising from experience adjustments	(3.37)	(1.53)
Components of defined benefit costs recognised in other comprehensive income	**(1.06)**	**(0.56)**
Total	**5.96**	**6.38**

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

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

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Present value of funded defined benefit obligation	62.20	61.17
Fair value of plan assets	(13.28)	(17.58)
Funded status	**48.92**	**43.59**
Net liability arising from defined benefit obligation	**48.92**	**43.59**

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

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Opening defined benefit obligation	61.17	58.01
Expenses recognised in statement of profit and loss		
Current service cost	4.30	4.45
Interest cost	4.00	3.94
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	1.97	0.54
Actuarial gains and losses arising from experience adjustments	(3.37)	(1.53)
Benefits paid	(5.87)	(4.24)
Closing defined benefit obligation	**62.20**	**61.17**

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

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Opening fair value of plan assets	17.58	19.65
Expected return on plan assets	1.28	1.45
Remeasurement gain (loss):		
Contributions from the employer	0.63	1.15
Actuarial (gains) / loss on plan assets	(0.34)	(0.43)
Benefits paid	(5.87)	(4.24)
Closing fair value of plan assets	**13.28**	**17.58**

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

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate		
100bps increase	59.55	58.54
100bps decrease	65.01	64.02
Expected rate of salary increase		
100bps increase	65.13	64.14
100bps decrease	59.43	58.36

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

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

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years. There has been no change in the process used by the Company to manage its risks from prior periods.

Notes

to the standalone financial statements for the year ended March 31, 2025

Expected future cash outflows towards the plan are as follows-

₹ in Crores

Financial Year	Amount
2025-26	11.62
2026-27	9.38
2027-28	9.29
2028-29	8.64
2029-30	7.19
2030-31 to 2034-35	24.06

NOTE NO. 40 RELATED PARTY INFORMATION:

40A List of related parties:

Wholly owned subsidiary:

Shasun USA Inc., USA#
Sequent Penems Private Limited*
Solara Active Pharma Sciences LTDA#
*Subsidiary company upto April 25, 2024, refer note 52.
#Since there is no operations in subsidiaries, the Board resolved during this year's meetings to initiate the closure of wholly-owned subsidiaries (WoSs). The closure formalities are currently underway.

Other Subsidiaries:

Chemsynth Laboratories Private Limited

Director and Key Management Personnel:

Poorvank Purohit	Managing Director and Chief Executive Officer (Resigned wef. February 21, 2025)
Sandeep Rao	Managing Director and Chief Executive Officer (Appointed as Managing Director & CEO wef. February 21, 2025)
Jitesh Devendra	Managing Director (Resigned wef. July 05, 2023)
S Hariharan	Executive Director and Chief Finance Officer (Resigned wef. July 31, 2023)
Arun Kumar Pillai	Non-Executive Director
Kartheek Chintalapati Raju	Non-Executive Director (Appointed wef. July 05, 2023)
R Ramakrishnan	Independent Director
Kausalya Santhanam	Independent Director
Manish Gupta	Non-Executive Director (Appointed wef. July 22, 2024)
Ankur Nand Thadani	Non-Executive Director (Resigned wef. July 22, 2024)
Rajendra Kumar Srivastava	Independent Director (Appointed wef. November 14, 2023)
Rajiv Vijay Nabar	Independent Director (Appointed wef. November 14, 2023)
Mohan Muthunarayanan	Executive Director (Appointed wef. February 14, 2024)
Sarat Kumar	Chief Financial Officer (Appointed as CFO wef. February 21, 2025)
Arun Kumar Baskaran	Chief Financial Officer (Appointed as CFO wef. March 08, 2024 and Resigned wef. February 21, 2025)
Patri Venkat Raghavendra Rao	Chief Financial Officer (Resigned wef. February 15, 2024)
S Murali Krishna	Company Secretary

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

Strides Pharma Science Limited, India
Tenshi Pharmaceuticals Private Limited
Aurore Life Sciences Private Limited, India (wef. July 05, 2023)
Aurore Pharmaceuticals Private Limited (wef. July 05, 2023)
Axxelent Pharma Sciences Private Limited (up to July 31,2023)
Batliboi Impex Limited (up to July 19, 2023)
Tenshi Kaizen Private Limited, India
Onesource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited)
Steriscience Specialties Pvt Ltd, India
Chayadeep Properties Private Limited, India

40BTransactions during the year

₹ in Crores

Description	Related party	March 31, 2025	March 31, 2024
Sale of goods/(sales return)	Strides Pharma Science Limited	214.97	128.94
	Aurore Life Sciences Private Limited	0.27	0.10
	Aurore Pharmaceuticals Private Limited	-	(5.69)
	Steriscience Specialties Pvt Ltd	-	0.06
	Onesource Specialty Pharma Limited	3.47	0.05
	Tenshi Kaizen Private Limited	0.10	0.07
Sale of services	Strides Pharma Science Limited	-	0.01
	Tenshi Kaizen Private Limited	0.01	0.07
	Steriscience Specialties Pvt Ltd	0.01	-
Interest income	Aurore Life Sciences Private Limited	-	1.66
Other operating revenue	Strides Pharma Science Limited	1.17	1.62
Purchase of goods	Strides Pharma Science Limited	-	0.02
Purchase of services	Axxelent Pharma Sciences Private Limited	-	0.06
	Batliboi Impex Limited	-	0.02
Recovery of expenses from	Strides Pharma Science Limited	7.65	11.48
Reimbursement of expenses to	Strides Pharma Science Limited	1.04	0.58
	Tenshi Pharmaceuticals Private Limited	1.31	2.42
Processing fees	Tenshi Pharmaceuticals Private Limited	-	0.27
Interest expenses on loans received	Chayadeep Properties Private Limited	0.19	-
	Tenshi Pharmaceuticals Private Limited	0.28	-
Corporate Guarantee on loan availed by Company	Tenshi Pharmaceuticals Private Limited	-	50.00
Rent & Maintenance for leased property	Strides Pharma Science Limited	1.75	1.67
Claims received adjusted against sale (refer note 16(v))	Aurore Pharmaceuticals Private Limited	-	36.79
Claims received accounted under other expense (refer note 16(v))	Aurore Life Sciences Private Limited	-	7.01
Guarantee commission paid	Tenshi Pharmaceuticals Private Limited	0.09	0.13
Receipt of loan given	Aurore Life Sciences Private Limited	-	32.35
Loans received	Tenshi Pharmaceuticals Private Limited	-	18.00
	Chayadeep Properties Private Limited	10.50	-
Loans repaid	Tenshi Pharmaceuticals Private Limited	18.00	-
	Chayadeep Properties Private Limited	10.50	-
Sitting fees paid to directors	Aditya Puri	-	0.02
	Kausalya Santhanam	0.10	0.15
	Nirmal P Bhogilal	-	0.03
	R. Ramakrishnan	0.10	0.15
	Rajiv Vijay Nabar	0.10	0.04
	Rajendra Kumar Srivastava	0.10	0.02
	Manish Gupta	0.03	-
	Vineeta Rai	-	0.03
Short term employee benefits paid to (refer note (i) below)	Jitesh Devendra	-	2.18
	S Hariharan	-	1.49
	Poorvank Purohit	3.32	2.90
	Sandeep Rao	0.52	-
	Mohan M	1.68	0.36
	Patri Venkat Raghavendra Rao	-	0.52
	Arun Kumar Baskaran	0.47	0.07
	Sarat Kumar	0.19	-
	S Murali Krishna	0.61	0.48

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

Notes

to the standalone financial statements for the year ended March 31, 2025

40C Balances as at March 31, 2025

₹ in Crores

Description	Related party	As at March 31, 2025	As at March 31, 2024
Trade payables	Sequent Penems Private Limited	-	0.64
	Tenshi Pharmaceuticals Private Limited	0.89	1.74
	Strides Pharma Science Limited	1.68	0.15
Trade receivables	Aurore Life Sciences Private Limited	0.27	2.97
	Aurore Pharmaceuticals Private Limited	-	13.16
	Strides Pharma Science Limited	62.83	47.85
	Steriscience Specialties Pvt Ltd	0.01	0.05
	Onesource Specialty Pharma Limited	0.07	0.08
	Shasun USA Inc.	-	2.68
	Tenshi Kaizen Private Limited	0.12	0.15
Borrowings	Chemsynth Laboratories Private Limited	1.34	1.34
	Tenshi Pharmaceuticals Private Limited	-	18.00
Advance received	Sequent Penems Private Limited	-	0.18
Corporate Guarantee on loan availed by Company	Tenshi Pharmaceuticals Private Limited	-	50.00
Security deposit given	Strides Pharma Science Limited	0.72	0.72

NOTE NO. 41 EARNINGS PER SHARE:

Amount in ₹

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Basic earnings per share:	(0.27)	(148.38)
Diluted earnings per share:	(0.27)	(148.38)

Earnings used in computing basic and diluted earnings per share

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Loss attributable to the equity holders of the Company	(1.08)	(566.87)

Weighted average number of shares used as the denominator

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Weighted average number of equity shares used as denominator in calculating basic earnings per share	3,98,98,909	3,82,04,915
Adjustments for calculation of diluted earnings per share:		
- employee stock options	3,162	101
Weighted average number of equity shares used as denominator in calculating diluted earnings per share*	3,99,02,071	3,82,05,016

* Diluted earnings per share for the year ended March 31, 2025 is antidilution since there is loss attributable to the equity holders of the company. Therefore, Diluted earnings per share is the same as Basic earnings per share for the year ended March 31, 2025.

NOTE NO. 42 SEGMENT REPORTING:

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

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

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

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
India	1,478.48	1,526.35
Total	**1,478.48**	**1,526.35**

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

NOTE NO. 43 SHARE-BASED PAYMENTS:

Employee Stock Option Scheme (ESOP 2018)

The ESOP titled "Solara Employee Stock Option Plan 2018" (ESOP 2018) was approved by the shareholders and stock exchanges. 1,228,778 options are covered under the plan which are convertible into equal number of equity shares of the Company. The vesting period of these options range over a period of three years. The options must be exercised within a period of 120 days from the date of vesting. The Company has granted 110,200 options (March 31, 2024: 250,000 options) under this plan during the current year.

Employee Stock Option Scheme (ESOP 2024)

The ESOP titled "Solara Employee Stock Option Plan 2024" (ESOP 2024) was approved by the shareholders and stock exchanges.960,000 options are covered under the plan which are convertible into equal number of equity shares of the Company. The vesting period of these options range over a period of three years. The options must be exercised within a period of 120 days from the date of vesting. The Company has granted 350,000 options (March 31, 2024: Nil) under this plan during the current year.

During the current year, employee compensation costs of ₹2.68 Crores (Previous year: ₹0.60 Crores) relating to the above referred Employee Stock Option Plans have been charged to the Statement of Profit and Loss.

Fair value of share options granted during the year

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

Assumptions	Grant Date: June 28, 2024 (ESOP 2018)		
	Vest 1 June 28, 2025	Vest 2 June 28, 2026	Vest 3 June 28, 2027
	20%	30%	50%
No. of options	19,040	28,560	47,600
Fair market value of option at grant date (₹)	220.59	255.00	286.22
Fair market value of share at grant date (₹)	544.90	544.90	544.90
Exercise price (₹)	375.00	375.00	375.00
Expected volatility	49.94%	48.94%	50.35%
Option life (Years)	1	2	3
Expected Dividend Yield	0.64%	0.64%	0.64%
Risk-free interest rate	6.81%	6.85%	6.87%

Notes

to the standalone financial statements for the year ended March 31, 2025

Assumptions	Grant Date: July 22, 2024 (ESOP 2018)		
	Vest 1 July 22, 2025	Vest 2 July 22, 2026	Vest 3 July 22, 2027
	20%	30%	50%
No. of options	3,000	4,500	7,500
Fair market value of option at grant date (₹)	244.61	279.64	310.38
Fair market value of share at grant date (₹)	573.00	573.00	573.00
Exercise price (₹)	375.00	375.00	375.00
Expected volatility	49.72%	49.38%	50.47%
Option life (Years)	1	2	3
Expected Dividend Yield	0.61%	0.61%	0.61%
Risk-free interest rate	6.72%	6.76%	6.79%

Assumptions	Grant Date: Feb 21, 2025 (ESOP 2024)		
	Vest 1 Feb 21, 2026	Vest 2 Feb 21, 2027	Vest 3 Feb 21, 2028
	20%	30%	50%
No. of options	60,000	90,000	1,50,000
Fair market value of option at grant date (₹)	179.73	203.17	242.79
Fair market value of share at grant date (₹)	490.15	490.15	490.15
Exercise price (₹)	375.00	375.00	375.00
Expected volatility	54.14%	46.46%	52.44%
Option life (Years)	1	2	3
Expected Dividend Yield	0.71%	0.71%	0.71%
Risk-free interest rate	6.49%	6.54%	6.56%

Assumptions	Grant Date: Feb 27, 2025 (ESOP 2024)		
	Vest 1 Feb 27, 2026	Vest 2 Feb 27, 2027	Vest 3 Feb 27, 2028
	20%	30%	50%
No. of options	10,000	15,000	25,000
Fair market value of option at grant date (₹)	164.13	187.13	226.53
Fair market value of share at grant date (₹)	470.70	470.70	470.70
Exercise price (₹)	375.00	375.00	375.00
Expected volatility	54.14%	46.46%	52.44%
Option life (Years)	1	2	3
Expected Dividend Yield	0.74%	0.74%	0.74%
Risk-free interest rate	6.45%	6.48%	6.51%

Fair value of share options granted during the previous year

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

Assumptions	Grant Date: Oct 19, 2023 (ESOP 2018)		
	Vest 1 Apr 29, 2023	Vest 2 Apr 29, 2024	Vest 3 Apr 29, 2025
	20%	30%	50%
No. of options	40,000	60,000	1,00,000
Fair market value of option at grant date (₹)	113.92	146.36	165.79
Fair market value of share at grant date (₹)	332.20	332.20	332.20
Exercise price (₹)	252.00	252.00	252.00
Expected volatility	36.90%	47.90%	49.30%
Option life (Years)	1	2	3
Expected Dividend Yield	1.00%	1.00%	1.00%
Risk-free interest rate	7.04%	7.18%	7.25%

Assumptions	Grant Date: Oct 26, 2023 (ESOP 2018)		
	Vest 1 Aug 4, 2023	Vest 2 Aug 4, 2024	Vest 3 Aug 4, 2025
	20%	30%	50%
No. of options	10,000	15,000	25,000
Fair market value of option at grant date (₹)	113.92	146.36	165.79
Fair market value of share at grant date (₹)	303.40	303.40	303.40
Exercise price (₹)	252.00	252.00	252.00
Expected volatility	36.90%	47.90%	49.30%
Option life (Years)	1	2	3
Expected Dividend Yield	1.00%	1.00%	1.00%
Risk-free interest rate	7.04%	7.18%	7.25%

Employee stock options details (ESOP 2018) as on the balance sheet date are as follows:

Particulars	During the year 2024-25		During the year 2023-24	
	Options (No's)	Weighted average exercise price per option (₹)	Options (No's)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year	2,93,800	621.22	1,43,600	399.81
Granted during the year	1,10,200	375.00	2,50,000	471.20
Exercised during the year	58,000	267.05	-	-
Lapsed/ cancelled during the year	1,33,400	295.73	99,800	477.34
Options outstanding at the end of the year	2,12,600	307.44	2,93,800	621.22
Options available for grant	1,36,178	-	1,12,978	-

Employee stock options details (ESOP 2024) as on the balance sheet date are as follows:

Particulars	During the year 2024-25		During the year 2023-24	
	Options (No's)	Weighted average exercise price per option (₹)	Options (No's)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year	-	-	-	-
Granted during the year	3,50,000	375.00	-	-
Exercised during the year	-	-	-	-
Lapsed/ cancelled during the year	-	-	-	-
Options outstanding at the end of the year	3,50,000	375.00	-	-
Options available for grant	6,10,000	-	-	-

NOTE NO. 44 FINANCIAL INSTRUMENTS

44.1 Categories of financial instruments

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Financial assets:		
Measured at amortised cost		
(a) Cash and bank balances	3.97	8.48
(b) Investments	1.70	1.70
(c) Trade receivables	326.57	351.22
(d) Loans receivable	0.02	0.34
(e) Other financial assets at amortised cost	28.68	22.77
Financial liabilities:		
Measured at amortised cost		
(a) Borrowings including current maturities of non current borrowings	776.06	999.38
(b) Lease liabilities	20.02	12.12
(c) Trade payables	242.59	307.70
(d) Other financial liabilities	18.31	14.12

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

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

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

₹ in Crores

Particulars	As at March 31, 2025		As at March 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities:				
Borrowings	776.06	777.61	999.38	1,002.05

Financial risk management objectives

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

44.3 Foreign currency risk management

The Company is exposed to foreign exchange risk due to:

- debt availed in foreign currency

- exposure arising from transactions relating to purchases, revenues, expenses, etc., to be settled (within and outside the group) in currencies other than the functional currency (i.e. Indian rupees).

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

₹ in Crores

Amount receivable/(payable)	As at March 31, 2025		As at March 31, 2024	
Exposure to the Currency	in foreign Currency	in ₹	in foreign Currency	in ₹
USD	(0.33)	(28.83)	0.38	31.52
GBP	-	-	(0.00)	(0.52)
EUR	0.03	3.05	(0.07)	(4.57)
JPY	6.79	3.85	3.95	2.18
CHF	-	-	0.00	(0.08)

Foreign currency sensitivity analysis

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

₹ in Crores

Exposure to the Currency	Increase / (Decrease) in Equity / Profit	
	March 31, 2025	March 31, 2024
Appreciation in the USD	(1.44)	1.58
Depreciation in the USD	1.44	(1.58)
Appreciation in the EUR	0.15	(0.23)
Depreciation in the EUR	(0.15)	0.23

The impact on profit has been arrived at by applying the effects of appreciation / deprecation effects of currency on the net position (Assets in foreign currency - Liabilities in foreign currency) in the respective currencies.
For the purpose of the above table, it is assumed that the carrying value of the financial assets and liabilities as at the end of respective financial years remains constant thereafter. The exchange rate considered for the sensitivity analysis is the exchange rate prevalent as at each year end.

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

44.4 Interest rate risk management

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

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

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Fixed-rate instruments		
Financial assets		
Balance with banks held in deposit account	0.79	5.35
Financial liabilities		
Lease liabilities	20.02	12.12
	20.81	**17.47**
Variable-rate instruments		
Financial liabilities		
Borrowings from bank	776.06	999.38
	776.06	**999.38**

Interest rate sensitivity analysis

Financial instruments affected by interest rate changes include secured long term loans from banks and secured short term loans from banks. The impact of a 1% change in interest rates on the profit of an annual period will be ₹7.76 Crores (March 31, 2024: ₹9.99 Crores) assuming the loans at each year end remain constant during the respective years. This computation does not involve a revaluation of the fair value of loans as a consequence of changes in interest rates. The computation also assumes that an increase in interest rates on floating rate liabilities will not necessarily involve an increase in interest rates on floating rate financial assets.

44.5 Credit risk management

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

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

The Company is not significantly exposed to geographical credit risk as the counterparties operate across various countries across the globe.

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

44.6 Liquidity risk management

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

Notes

to the standalone financial statements for the year ended March 31, 2025

44.6.1 Liquidity analysis for Non-Derivative Financial Liabilities

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

₹ in Crores

Financial Liabilities	Due within (years)						Total	Carrying Amount
	1	1 to 2	2 to 3	3 to 4	4 to 5	beyond 5		
Bank & other borrowings								
- As on March 31, 2025	662.74	53.32	27.58	16.77	17.20	-	777.61	776.06
- As on March 31, 2024	895.69	53.78	40.01	12.57	-	-	1,002.05	999.38
Interest payable on borrowings								
- As on March 31, 2025	5.09	-	-	-	-	-	5.09	5.09
- As on March 31, 2024	3.38	-	-	-	-	-	3.38	3.38
Lease liabilities								
- As on March 31, 2025	2.99	3.32	3.31	3.48	1.57	47.95	62.62	20.02
- As on March 31, 2024	0.92	0.96	1.01	1.06	1.11	49.15	54.21	12.12
Trade and other Financial liabilities								
- As on March 31, 2025	255.81	-	-	-	-	-	255.81	255.81
- As on March 31, 2024	318.44	-	-	-	-	-	318.44	318.44

NOTE NO. 45 CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in note 21 offset by cash and bank balances) and total equity.

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

45.1 Gearing ratio

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

₹ in Crores

Particulars	March 31, 2025	March 31, 2024
Debt (i)	796.08	1,011.50
Less:		
Cash and bank balances	3.97	8.48
Net Debt (A)	**792.11**	**1,003.02**
Total Equity (B)	**1,096.21**	**937.42**
Net debt to equity ratio (A/B)	**0.72**	**1.07**

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

NOTE NO. 46 RATIO ANALYSIS

₹ in Crores

Particulars	Methodology	As at March 31, 2025	As at March 31, 2024	Change
Current ratio	Current Assets over Current Liabilities	0.78	0.64	22%
Debt-Equity ratio (refer note (a) below)	Debt over Equity	0.73	1.08	-33%
Debt Service Coverage ratio (refer note (b) below)	Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) over debt repayments and interest payments	0.95	(0.41)	-329%

₹ in Crores

Particulars	Methodology	As at March 31, 2025	As at March 31, 2024	Change
Return on Equity ratio (refer note (c) below)	Net profit (PAT) over Tangible Equity	-0.15%	-106.96%	-100%
Inventory turnover ratio	Cost of goods sold over Average Inventory	1.85	1.75	5%
Trade receivables turnover ratio (refer note (d) below)	Sales Turnover over Average Trade receivables	3.66	2.78	32%
Trade payables turnover ratio	Cost of goods sold over Average Trade payables	2.28	2.65	-14%
Net capital turnover ratio (refer note (e) below)	Sales Turnover over Working capital	(5.93)	(2.77)	114%
Net profit ratio (refer note (f) below)	Net profit (PAT) over Total Income	-0.08%	-43.80%	-100%
Return on capital employed (refer note (g) below)	Earnings Before Interest and Taxes (EBIT) over Tangible Capital Employed	7.54%	-12.65%	-160%
Return on investment	Interest income, net gain on sale of investments and net fair value gain over weighted Average Investments	Nil	Nil	Nil

Notes:

(i) Explanation for variances exceeding 25%:

(a) Decrease in Debt-Equity ratio is due to decrease in current borrowings

(b) Increase in Debt Service Coverage ratio is on account of increase in Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)

(c) Increase in Return on Equity ratio is on account of increase in Net profit (PAT)

(d) Increase in Trade receivables turnover ratio is on account of reduction in Trade receivables

(e) Decrease in Net capital turnover ratio is on account of decrease in Working capital

(f) Increase in Net profit ratio is on account of increase in Net profit (PAT)

(g) Increase in Return on capital employed ratio is on account of increase in Earnings Before Interest and Taxes (EBIT)

Definitions:

Debt is defined as non-current borrowings, current maturities of non-current borrowings and current borrowings and includes lease liabilities

Equity is defined as Equity share capital and Other equity.

Tangible Equity is defined as Equity share capital and Other equity less Goodwill less Intangible Assets

Earnings before interest,taxes, depreciation and amortisation (EBITDA) is defined as:

Profit for the year before exceptional items and taxes (add) Depreciation and Amortisation (add) Finance costs (less) interest income

Debt repayment is defined as non-current borrowings repaid during the year

Interest payments is defined as interest paid on borrowings during the year

Net profit (PAT) is defined as Profit for the year after tax

Cost of goods sold is defined as Cost of materials consumed, Purchases of stock-in-trade and Changes in inventories of finished goods and work-in-progress

Sales Turnover is defined as Sale of products and Sale of services

Earnings before interest and taxes (EBIT) is defined as:

Profit for the year before exceptional items and taxes (add) Finance costs (less) interest income

Working capital is defined as Currents Assets less Current Liabilities

Tangible Capital employed is defined as Equity and Debt less Goodwill less Intangible Assets

NOTE NO. 47 DISCLOSURE AS PER REGULATION 34 (3) AND 53 (F) READ WITH PART A OF SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 IN RESPECT OF LOANS AND ADVANCES, THE AMOUNT IN THE NATURE OF LOANS OUTSTANDING AT YEAR END:

₹ in Crores

Name of borrower	Nature of relationship	Security	Rate of interest	As at April 01, 2024	Given during the year	Repayment during the year	As at March 31, 2025	Maximum amount outstanding during the year ended March 31, 2025
Chemsynth Laboratories Private Limited	Subsidiary	Unsecured	10.90%	1.34	-	-	1.34	1.34

NOTE NO. 48

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

NOTE NO. 49 OTHER STATUTORY INFORMATION

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

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

(c) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

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

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

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

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

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

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

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

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

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

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

NOTE NO. 50

With effect from 1 April 2023, the Ministry of Corporate Affairs (MCA) has made it mandatory for companies to maintain an audit trail throughout the year for transactions impacting books of accounts.

The Company uses accounting software for maintaining the books of account which has a feature of recording audit trail and has defined process to enable audit trail of books of accounts and has enabled the feature of recording audit trail (edit log) facility except that in respect of accounting software used by the Company, audit trail feature was not enabled for certain direct changes to tables at the application level for the period April 1, 2024 to March 31, 2025. The Management is of the view that this does not have any impact on its Standalone Financial Statements for the year ended March 31, 2025.

The audit trail that was enabled and operated for the year ended March 31, 2024, has been preserved by the Company as per the statutory requirements for record retention.

NOTE NO. 51

There was a fire accident at the Company Puducherry facility on November 04, 2023 whereby 3 blocks out of the total 76 blocks were impacted by the fire. The resultant fire caused injuries to 14 workers and 12 workers were recovered and discharged while 2 succumbed to injuries despite maximum efforts put to recover them. The fire also caused damages to the plant and equipment amounting to ₹2.25 crores, inventories amounting to ₹51.35 crores, Goods and service tax reversal on inventory loss amounting to ₹7.52 crores and other expense such as medical expenses etc. amounting ₹1.38 crores.The losses arising on account of the fire incident have been accounted under exceptional item during the previous year ended March 31, 2024. There was disruption in the production at the Puducherry facility for a brief period and production was resumed after receiving the statutory approvals post the fire incident.The Company has submitted the initial insurance claims which are subject to assessment by the Insurers, pending which, the claim has not been recognised in these standalone financial statements. The insurance claim will be accrued once there is certainty of the amount expected to be reimbursed by the Insurers.

NOTE NO. 52

The Board of the Company had approved the transfer of 100% shareholding in Sequent Penems Private Limited, a wholly owned subsidiary, through a circular resolution dated March 22, 2024. The share purchase agreement was executed on March 28, 2024, for a cash consideration of ₹12.50 crores. The Company had a carrying value of investment in this subsidiary of ₹14.30 crores. Hence, the Company has accounted for an impairment on the investment in this subsidiary amounting to ₹1.80 crores during the previous year ended March 31, 2024. The shares were transferred on April 25, 2024.

Due to the above sale, certain assets of the Company were no longer usable. Hence, the Company had written off these assets, amounting to ₹2.53 crores and disclosed under exceptional items during the previous year ended March 31, 2024.

NOTE NO. 53

The Company, vide its letter of offer dated May 09, 2024 offered upto 1,19,98,755 Equity shares of face value of ₹10/- each at a price of ₹375 per Equity share (including Share premium of ₹365 per Equity share) for an amount aggregating ₹449.95 crores to the existing share holders of the Company on right basis in the ratio of One Equity share for every three Equity shares held by the Equity shareholders on the record date i.e May 15, 2024. Rights issue has been done in accordance with Section 62(1)(a) of the Companies Act and other applicable laws. The Company has allotted 1,19,98,755 Nos. of partly paid up equity shares on June 19, 2024.

Out of net proceeds from allotment, ₹118.61 crores is used against repayment of borrowings, ₹35.87 crores towards general corporate purposes in line with terms of utilization mentioned in letter of offer.

Pursuant to the Rights issue, earnings per share (EPS) in repect of previous year have been adjusted as per Indian Accounting Standard 33 “Earnings per share”, prescribed under Section 133 of the Companies Act, 2013.

Notes

to the standalone financial statements for the year ended March 31, 2025

NOTE NO. 54

The Board of Directors of the Company at its meeting held on January 24, 2025 had discussed a proposal to explore 'demerger of the CRAMS and Polymers business into an independent listed entity' and granted in-principle approval for the same.

NOTE NO. 55

According to management's evaluation of events subsequent to the balance sheet date there were no significant adjusting events that occured other than those disclosed/given effect to, in these financial statements as of March 31, 2025.

NOTE NO. 56

On May 07, 2025, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2025. This notification has resulted into amendments in the "Indian Accounting Standard (Ind AS) 21 - The Effects of Changes in Foreign Exchange Rates " which are applicable to the Company from April 01, 2025.The Company is in the process of evaluating the impact of the this amendments on the Company's financial statements.

NOTE NO. 57

All the amounts included in the standalone financial statements are rounded off to the neareast crores, except per share data and unless stated otherwise. Further, due to rounding off, certain amounts are appearing as '0'.

For and on behalf of Board of Directors

Sandeep Rao	**M Mohan**	**Sarat Kumar**	**Pooja Jaya Kumar**
Managing Director & Chief Executive Officer	Executive Director	Chief Financial Officer	Company Secretary
DIN: 10838251	DIN: 03610282		Membership Number: A57415

Place : Bengaluru
Date : May 15, 2025

Independent Auditor's Report

To The Members of

Solara Active Pharma Sciences Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Solara Active Pharma Sciences Limited (the "Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as the "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2025, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of subsidiaries, referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2025, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

Sr. No.	Key Audit Matter	Auditor's Response
2	**Carrying Value of Goodwill Relating to Human API Business:** Refer note 7 of the Consolidated financial statements. The Company carried Goodwill of ₹364.90 Crores as at Balance Sheet date arising from past Acquisition. As Indicated in note 2.1 (xv) to the Consolidated financial statements, the management of the Company assesses the Impairment of the Goodwill annually. The Carrying value of the Goodwill will be recovered through future cash flows and there is a risk of impairment loss where the actual cash flows are less than expected. The Impairment assessment performed by the Management contained a number of significant judgements and estimates including short and long term growth rates and discount rate. We focused on this area because of the significance of the balance and the significant judgements and assumptions involved in Impairment assessment by the Management about the future results of the Human API Business	**Principal Audit Procedures performed:** We assessed the management's process for impairment assessment of goodwill. We performed testing of details and operating effectiveness of internal controls and substantive testing as follows: – Evaluated the design of the management's internal control around the impairment assessment process. – Understood the key assumptions considered in the management's estimates of future cash flows. – Involving our valuation specialists, we evaluated the short-term and long-term growth rates considered in the estimates of future cash flows and the discount rate used in the calculations. – Compared the historical cash flows (including for current year) against past projections of the management for the same periods and gained understanding of the rationale for the changes. – Performed sensitivity analysis on the Key assumptions within the forecast cash flows and focused our attention on those assumptions we considered most sensitive to the changes such as revenue growth and profitability during the forecast period, the terminal growth rate and discount rate applied to the future cash flows. – We ascertained the extent to which a change in these assumptions both individually or in aggregate would result in impairment and considered the likelihood of such events occurring. We further assessed the adequacy of the disclosures made in the financial Statements for the year ended March 31, 2025

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon which we obtained prior to the date of this auditor's report and the Management Discussion and Analysis, Corporate Governance Report and Business Responsibility and Sustainability Report which is 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 express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.
- 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 Management Discussion and Analysis, Corporate Governance Report and Business Responsibility and Sustainability Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

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

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

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

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

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

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

or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of entities included in the consolidated financial statements of which we are the independent auditors. For entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

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

Other Matters

(a) We did not audit the financial statements of 2 subsidiaries, and whose financial statements reflect total assets of ₹6.73 Crores as at March 31, 2025, total revenues of ₹Nil and net cash inflows amounting to ₹Nil Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

(b) We did not audit the financial information of 1 subsidiary whose financial information reflect total assets of ₹Nil as at March 31, 2025, total revenues of ₹Nil and net cash flows amounting to ₹Nil for the year ended on that date, as considered in the consolidated financial statements. This financial information is unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

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

Report on Other Legal and Regulatory Requirements

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated 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 by the Group including relevant records so far as it appears from our examination of those books, returns and the reports of the other auditors, except for in relation to compliance with the requirements of audit trail as stated in (i)(vi) below.

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

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

e) On the basis of the written representations received from the directors of the Parent as on March 31, 2025 taken on record by the Board of Directors of the Company and the report of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 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, is as stated in paragraph (b) above.

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

h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the auditor report of subsidiary company incorporated in India, the remuneration paid by the Parent and such subsidiary company to their respective directors during the year is in accordance with the provisions of Section 197 of the Act.

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

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

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

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

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

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

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

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

vi) Based on our examination which included test checks and that performed by the auditor of the subsidiary and based on the other auditor report of its subsidiary company incorporated in India whose financial statements have been audited under the Act, the Parent and its subsidiary company incorporated in India have used accounting software for maintaining their respective books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the Software except that in respect of one accounting software, audit trail was not enabled for certain critical tables (refer note 52 to the consolidated financial statements). Accordingly, we are unable to comment on whether there was any instance of the audit trail feature being tampered with.

Additionally, the audit trail that was enabled and operated for the year ended March 31, 2024 has been preserved by the Company and above referred subsidiary Company as per the statutory requirements for record retention, as stated in Note 52 to the consolidated financial statements.

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

Name of the Company	CIN	Nature of relation-ship	Clause numbers of CARO report with qualification of adverse remark
Solara Active Pharma Sciences Limited	L24230MH-2017PLC291636	Parent Company	i(c)

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

Sandeep Kukreja
Partner
(Membership No. 220411)
(UDIN: 25220411BMOQCX9063)

Place: Bengaluru
Date: May 15, 2025

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

In conjunction with our audit of the consolidated financial statements of the Company as at and for the year ended March 31, 2025, we have audited the internal financial controls with reference to consolidated financial statements of Solara Active Pharma Sciences Limited (hereinafter referred to as "Parent") and its subsidiary company, which is company incorporated in India, as of that date.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

OPINION

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary company, which is company incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 1 subsidiary company, which is company incorporated in India, is based solely on the corresponding reports of the auditors of such company incorporated in India.

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

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

Sandeep Kukreja
Partner
(Membership No. 220411)
(UDIN: 25220411BMOQCX9063)

Place: Bengaluru
Date: May 15, 2025

Consolidated Balance Sheet

as at March 31, 2025

₹ in Crores

Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
A ASSETS			
I Non-current assets			
(a) Property, plant and equipment	3	738.68	805.66
(b) Right-of-use assets	4(i)	57.74	52.19
(c) Capital work in progress	5	280.05	256.37
(d) Investment property	6	2.28	2.39
(e) Goodwill	7	364.90	365.09
(f) Other intangible assets	8	29.80	42.56
(g) Financial assets			
(i) Investments	9	1.70	1.70
(ii) Loans	10(i)	-	-
(ii) Other financial assets	11(i)	16.32	15.35
(h) Deferred tax assets (net)	12	-	-
(i) Income tax assets (net)	13	4.52	3.62
(j) Other non-current assets	14(i)	7.12	5.28
Total non-current assets		**1,503.11**	**1,550.21**
II Current assets			
(a) Inventories	15	317.90	359.70
(b) Financial assets			
(i) Trade receivables	16	326.57	348.52
(ii) Cash and cash equivalents	17	3.95	8.44
(iii) Bank balances other than (ii) above	18	0.16	0.16
(iv) Loans	10(i)	0.02	0.34
(v) Other financial assets	11(ii)	12.36	7.42
(c) Other current assets	14(ii)	67.77	63.49
(d) Assets classified as held for sale		-	12.68
Total current assets		**728.73**	**800.75**
Total assets (I + II)		**2,231.84**	**2,350.96**
B EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	19	40.25	36.00
(b) Other equity	20	1,053.99	897.91
Equity attributable to the owners of the company		**1,094.24**	**933.91**
Non-controlling interests	21	2.67	2.67
Total equity		**1,096.91**	**936.58**
II Liabilities			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	22(i)	113.86	105.83
(ii) Lease liabilities	4(ii)	17.77	11.61
(iii) Other financial liabilities	23(i)	0.42	0.42
(b) Provisions	24	9.85	10.08
(c) Other non-current liabilities	25(i)	48.92	43.59
Total Non-current liabilities		**190.82**	**171.53**
2 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	22(ii)	662.20	893.55
(ii) Lease liabilities	4(ii)	2.25	0.51
(iii) Trade payables			
- Dues of micro and small enterprises	26	37.99	10.63
- Dues of other than micro and small enterprises	26	210.63	302.38
(iv) Other financial liabilities	23(ii)	17.89	13.52
(b) Provisions	24	2.23	1.97
(c) Current tax liabilities (net)	27	0.01	0.01
(d) Other current liabilities	25(ii)	10.91	20.22
(e) Liabilities directly associated with assets classified as held for sale		-	0.06
Total current liabilities		**944.11**	**1,242.85**
Total liabilities		**1,134.93**	**1,414.38**
Total equity and liabilities (I + II)		**2,231.84**	**2,350.96**

See accompanying notes forming part of the consolidated financial statements

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

Sandeep Kukreja
Partner
Membership Number: 220411

Place : Bengaluru
Date : May 15, 2025

For and on behalf of Board of Directors

Sandeep Rao
Managing Director & Chief Executive Officer
DIN: 10838251

M Mohan
Executive Director
DIN: 03610282

Sarat Kumar
Chief Financial Officer

Pooja Jaya Kumar
Company Secretary
Membership Number: A57415

Place : Bengaluru
Date : May 15, 2025

Consolidated Statement of Profit and Loss

for the year ended March 31, 2025

₹ in Crores

	Particulars	Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
1	Revenue from operations	28	1,283.76	1,288.92
2	Other income	29	8.32	5.37
3	**Total Income (1+2)**		**1,292.08**	**1,294.29**
4	**EXPENSES**			
	(a) Cost of materials consumed	30	581.66	760.65
	(b) Purchase of stock-in-trade	31	5.75	5.10
	(c) Changes in inventories of finished goods and work-in-progress	32	39.00	39.27
	(d) Employee benefits expenses	33	211.69	243.92
	(e) Finance costs	34	114.81	105.11
	(f) Depreciation and amortisation expenses	35	99.25	103.33
	(g) Other expenses	36	239.38	335.16
	Total expenses (4)		**1,291.54**	**1,592.54**
5	**PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (3-4)**		0.54	(298.25)
6	**EXCEPTIONAL ITEM GAIN/ (LOSS) (NET)**	37	-	(190.17)
7	**PROFIT/(LOSS) BEFORE TAX (5-6)**		0.54	(488.42)
8	**TAX EXPENSE**	38		
	(a) Current tax		-	-
	(c) Deferred tax		-	78.54
	Total tax expense (8)		**-**	**78.54**
9	**PROFIT/(LOSS) FOR THE YEAR (7-8)**		0.54	(566.96)
10	**OTHER COMPREHENSIVE INCOME**			
A	**ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS:**			
(i)	Remeasurement gains/(losses) of defined benefit plans		1.06	0.56
(ii)	Income tax relating to items that will not be reclassified subsequently to profit or loss		-	-
B	**ITEMS THAT MAY BE RECLASSIFIED TO SUBSEQUENTLY TO PROFIT OR LOSS:**			
(i)	Exchange differences on translating the financial statements of foreign operations		(0.08)	(0.07)
(ii)	Income tax relating to items that may be reclassified to statement of profit and loss		-	-
	Total other comprehensive income for the year (10)		**0.98**	**0.49**
11	**TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR (9+10)**		**1.52**	**(566.47)**
	Profit/(loss) for the year attributable to:			
	- Equity shareholders of the Company		0.54	(567.39)
	- Non-controlling interests		(0.00)	0.43
			0.54	**(566.96)**
	Other Comprehensive income attributable to:			
	- Equity shareholders of the Company		0.98	0.49
	- Non-controlling interests		-	-
			0.98	**0.49**
	Total Comprehensive income/(loss) attributable to:			
	- Equity shareholders of the Company		1.52	(566.90)
	- Non-controlling interests		(0.00)	0.43
			1.52	**(566.47)**
12	**EARNINGS PER EQUITY SHARE (FACE VALUE OF ₹10/- EACH)**	43		
	- Basic (in ₹)		0.14	(148.51)
	- Diluted (in ₹)		0.14	(148.51)

See accompanying notes forming part of the consolidated financial statements

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

For and on behalf of Board of Directors

Sandeep Kukreja
Partner
Membership Number: 220411

Sandeep Rao
Managing Director & Chief Executive Officer
DIN: 10838251

M Mohan
Executive Director
DIN: 03610282

Sarat Kumar
Chief Financial Officer

Pooja Jaya Kumar
Company Secretary
Membership Number: A57415

Place : Bengaluru
Date : May 15, 2025

Place : Bengaluru
Date : May 15, 2025

Consolidated Statement of Cash Flows

for the year ended March 31, 2025

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (Loss) before tax for the year	**0.54**	**(488.42)**
Adjustments for:		
Depreciation and amortisation expenses	99.25	103.33
Finance costs	114.81	105.11
Share based compensation expenses (net of reversals)	2.68	0.60
Rental income from investment property	(1.02)	(0.97)
Interest income	(0.76)	(2.22)
Liabilities / provisions no longer required written back	(4.43)	(0.43)
Loss / (Profit) on sale of property, plant and equipment	-	(0.36)
Write off of Property, plant and equipment	0.08	2.53
Impairment on assets classified as held for sale	-	2.33
Exceptional loss on account of fire at Puducherry facility	-	62.50
Write down of inventories	-	122.81
Provision for doubtful receivables and advances	1.02	10.99
Unrealised exchange (gain) / loss (net)	(1.47)	(0.46)
Operating cash flows before working capital changes	**210.70**	**(82.66)**
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	41.80	13.08
Trade receivables	19.81	178.17
Other assets (financial & non-financial)	(10.02)	(20.80)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(59.43)	7.30
Other liabilities (financial & non-financial)	10.86	12.88
Cash generated from operations	**213.72**	**107.97**
Net income tax (paid) / refunds	(0.90)	0.90
Net cash flow generated from operating activities (A)	**212.82**	**108.87**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure for property, plant and equipment and intangible assets, including capital advances	(39.94)	(41.06)
Proceeds from sale of property, plant and equipment	0.38	1.04
Proceeds from sale of subsidiary	0.96	-
Loan (given) / received	-	32.35
Interest received	0.75	3.19
Rental income from investment property	1.02	0.97
Net cash flow utilised in investing activities (B)	**(36.83)**	**(3.51)**

Consolidated Statement of Cash Flows

for the year ended March 31, 2025

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	159.02	-
Share issue expenses	(2.89)	-
Proceeds from non-current borrowings	75.00	4.90
Repayment of non-current borrowings	(110.95)	(118.49)
Net increase / (decrease) in current borrowings	(185.43)	111.45
Lease payments	(2.13)	(0.88)
Finance cost	(113.10)	(102.63)
Net cash flow utilised in financing activities (C)	**(180.48)**	**(105.65)**
Net increase in cash and cash equivalents during the year (A+B+C)	**(4.49)**	**(0.29)**
Cash and cash equivalents at the beginning of the year	8.44	8.73
Cash and cash equivalents at the end of the year	**3.95**	**8.44**

Reconciliation of cash and cash equivalents with the Consolidated Balance Sheet:

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Cash and cash equivalents as per Balance Sheet (Refer note 17)	3.95	8.44
Cash and cash equivalents at the end of the year *	**3.95**	**8.44**
*** Comprises**		
Cash on hand	0.02	0.02
Balance with banks:		
- In current account	3.14	3.07
- In deposit account	0.79	5.35
Total	**3.95**	**8.44**

Note

1. Refer Note 4(ii) and note 22(iii) for supplementary information on cash flow statement

See accompanying notes forming part of the consolidated financial statements

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

For and on behalf of Board of Directors

Sandeep Kukreja
Partner
Membership Number: 220411

Sandeep Rao
Managing Director & Chief Executive Officer
DIN: 10838251

M Mohan
Executive Director
DIN: 03610282

Sarat Kumar
Chief Financial Officer

Pooja Jaya Kumar
Company Secretary
Membership Number: A57415

Place : Bengaluru
Date : May 15, 2025

Place : Bengaluru
Date : May 15, 2025

Consolidated Statement of Changes in Equity
for the year ended March 31, 2025

A. EQUITY SHARE CAPITAL

₹ in Crores

Particulars	Amount
Balance as at April 01, 2023	36.00
Changes in equity share capital during the year	-
Balance as at March 31, 2024	**36.00**
Changes in equity share capital during the year	-
- Shares issued pursuant to Rights issue (refer note 49)	4.19
- Shares issued pursuant to exercise of stock options (refer note 45)	0.06
Balance as at March 31, 2025	**40.25**

B. OTHER EQUITY

₹ in Crores

Particulars	Reserves and Surplus				Items of other comprehensive income - Foreign currency translation reserve	Total equity attributable to the owners of the company	Non-controlling interests	Total Equity
	Capital reserve	Securities premium	Retained earnings	Share options outstanding account				
Balance as at April 01, 2023	0.01	1,216.03	249.31	1.05	(2.19)	1,464.21	2.24	1,466.45
Net profit for the year	-	-	(567.39)	-	-	(567.39)	0.43	(566.96)
Other comprehensive income for the year	-	-	0.56	-	(0.07)	0.49	-	0.49
Employee stock compensation expenses	-	-	-	0.60	-	0.60	-	0.60
Balance as at March 31, 2024	**0.01**	**1,216.03**	**(317.52)**	**1.65**	**(2.26)**	**897.91**	**2.67**	**900.58**
Net profit for the year	-	-	0.54	-	-	0.54	0.00	0.54
Other comprehensive income for the year	-	-	1.06	-	(0.08)	0.98	-	0.98
Premium on Issue of Share during the year pursuant to Right issue	-	153.28	-	-	-	153.28	-	153.28
Premium on Issue of Share during the year pursuant to ESOP	-	2.24	-	-	-	2.24	-	2.24
Issue of shares pursuant to exercise of stock options (refer note 45)	-	-	-	(0.75)	-	(0.75)	-	(0.75)
Share issue expenses related to Rights issue (net of tax)	-	(2.89)	-	-	-	(2.89)	-	(2.89)
Transfer to retained earnings on stock options lapsed during the year	-	-	0.29	(0.29)	-	-	-	-
Employee stock compensation expenses	-	-	-	2.68	-	2.68	-	2.68
Balance as at March 31, 2025	**0.01**	**1,368.66**	**(315.63)**	**3.29**	**(2.34)**	**1,053.99**	**2.67**	**1,056.66**

See accompanying notes forming part of the consolidated financial statements

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

Sandeep Kukreja
Partner
Membership Number: 220411

Place : Bengaluru
Date : May 15, 2025

For and on behalf of Board of Directors

Sandeep Rao
Managing Director & Chief Executive Officer
DIN: 10838251

M Mohan
Executive Director
DIN: 03610282

Sarat Kumar
Chief Financial Officer

Pooja Jaya Kumar
Company Secretary
Membership Number: A57415

Place : Bengaluru
Date : May 15, 2025

1 BACKGROUND

Solara Active Pharma Sciences Limited (hereinafter referred as "the Company") is a public limited Company incorporated on February 23, 2017 under the provisions of Companies Act, 2013 with the object of, inter alia, undertaking the business of manufacturing, production, processing, formulating, sale, import, export, merchandising, distributing, trading of and dealing in active pharmaceutical ingredients. The Company has its registered address at 'Cyber One', Unit No. 902, Plot No. 4 & 6, Sector 30A, Vashi, Navi Mumbai - 400 703. The Company and its subsidiaries are together referred as "Group". The consolidated financial statements were approved by the Board of Directors and authorised for issue on May 15, 2025. These financial statements comprise the consolidated balance sheet of the Company, consolidated statement of profit and loss (including Other Comprehensive Income) and consolidated cash flow statement, consolidated statement of changes in equity and material accounting policies and other explanatory information (together the "consolidated financial statements").

2.1 Material accounting policies

(i) Statement of compliance

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

(ii) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value as described in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange of assets. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

Going Concern

While the Group has started generating profits for the year ended March 31, 2025, it has accumulated losses of ₹315.63 crores and its net current liabilities exceed its net current assets by ₹215.38 Crores as of March 31, 2025. To mitigate the situation and adequately fund its operations, the Parent has received a partial amount of ₹157.48 crores out of ₹449.95 crores from existing shareholders under the rights issue during the year ended March 31, 2025. After year-end, the Parent made the first call on 35% of the face value, raising ₹157.48 crores with the remaining funds of ₹134.99 crores to be called as needed. The group expects to renew its working capital facilities, as and when required, in the normal course of business and also increase revenues and margins on its products and accordingly expects to continue to have cash inflows from operations in amounts that are adequate enough to meet all future obligations as they fall due. Based on the above, the Board of directors have approved the preparation of the financial statements on a going concern basis.

(iii) Basis of consolidation

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

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

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

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

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

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

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

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

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

Details of subsidiaries considered in these consolidated financial statements.

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

* Subsidiary company shares transferred on April 25, 2024, refer note 54.

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

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

(iv) Revenue recognition

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

Sale of goods

The Group receives revenue for supply of pharmaceutical products to external customers against orders received. The majority of these contracts contain single performance obligation for supply of goods. The average duration of a customers' order is less than 12 months. Revenue from sale of goods is recognised upon transfer of control to the customer. The point at which control passes depends on the terms set forth in the customer's contract. Generally, the control is transferred upon shipment of the product to the customer or when the product is made available to the customer, provided transfer of title to the customer occurs and the Group has not retained any significant risks of ownership or future obligations with respect to the product sold.

Sale of services

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

Share of Profit

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

(v) Interest income

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

(vi) Export Incentives

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

(vii) Leases

The Group as lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Contracts in which all the risks and rewards of the lease are substantially transferred to the lessee are classified as a finance lease. All other leases are classified as operating leases. Leases, for which the Group is an intermediate lessor, it accounts for the head-lease and sub-lease as two separate contracts. The sub-lease is classified as a finance lease or an operating lease by reference to the RoU asset arising from the head-lease. Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

The Group as lessee

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

(a) the use of an identified asset,

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

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

The Group has entered into lease arrangements for its factory land and office premises. The Group at the inception of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets. The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option. For short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

(viii) Foreign currencies transactions and translation

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

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

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

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

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

(ix) Borrowing costs

Borrowing costs include:

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

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

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

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

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

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

(x) Employee benefits

Short term obligations

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

Retirement benefit costs and termination benefits

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

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

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

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

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

Defined contribution plan

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

Compensated absences

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

(xi) Taxation

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

Current tax

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

Deferred tax

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

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

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

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

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

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

Current and deferred tax for the year

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

(xii) Property, plant and equipment

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

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

Freehold land is not depreciated.

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

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

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

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

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

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

(xiii) Investment property

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

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

(xiv) Intangible assets

Intangible assets acquired separately

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

Intangible assets acquired in a business combination

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

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

Derecognition of intangible assets

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

Useful lives of intangible assets

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

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

(xv) Impairment of assets

Impairment of financial assets:

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

Impairment of goodwill

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

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

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

Impairment of non-financial assets other than goodwill

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

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

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

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

(xvi) Inventories

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

Raw materials, packing materials and consumables: weighted average basis

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

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

Stock-in trade: weighted average basis

(xvii) Provisions

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

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

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

Onerous contracts

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

(xviii) Contingent liabilities

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

(xix) Financial instruments

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

Financial assets and financial liabilities

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

Initial recognition and measurement:

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

Subsequent measurement:

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

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

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

Derecognition of financial assets and liabilities:
The Group derecognises the financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of the ownership of the asset to the other entity. If the Group neither transfers nor retains substantially all risks and rewards of ownership and continues to control the transferred asset , the Group recognizes its retained interest in the asset and associated liability for the amounts it may have to pay. If the Group retains substantially all risks and rewards of the ownership of a transferred financial asset , the Group continues to recognize the financial asset and also recognizes a collaterized borrowing for the proceeds received. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. Financial liabilities are derecognised when these are extinguished , that is when the obligation is discharged, cancelled or has expired.The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

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

(xx) Operating Cycle

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

(xxi) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

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

In the application of the Group's accounting policies, the directors of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

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

Impairment of goodwill and other non-financial assets

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

Impairment of financial assets

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

Useful lives of property, plant and equipment

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

Defined benefit plans and compensated absences:

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

Income taxes

Significant judgments are involved in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods. Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of deferred tax assets considered realisable, however, could reduce in the near term if estimates of future taxable income during the carry-forward period are reduced.

Controlling parties assessment

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

Going Concern

The Management has prepared cash flow forecasts for the next 12 months. The forecasts include assumption such revenue projection, increase in gross margin and EBTIDA due to cost control measures and strategic focus to maintain reduced inventory levels.

Inventory

The Company estimates the net realisable value (NRV) of its inventories by taking into account their estimated selling price, estimated cost of completion, estimated costs necessary to make the sale. Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realisable value. Inventories are written down to NRV where such NRV is lower than their cost.

Litigations

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

Notes

to the consolidated financial statements for the year ended March 31, 2025

NOTE NO. 3 PROPERTY, PLANT AND EQUIPMENT

₹ in Crores

Particulars	Gross block					Accumulated depreciation					Net block	
	As at April 01, 2024	Additions	Disposals	Reclassification*	As at March 31, 2025	As at April 01, 2024	Depreciation for the year	Reclassification*	Eliminated on disposal	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024
Freehold Land	78.26	-	-	-	78.26	-	-	-	-	-	78.26	78.26
	(78.26)	-	-	-	(78.26)	-	-	-	-	-	(78.26)	(78.26)
Leasehold Improvements	3.71	-	-	-	3.71	2.65	0.47	-	-	3.12	0.59	1.06
	(15.92)	-	(12.21)	-	(3.71)	(14.05)	(0.20)	-	(11.60)	(2.65)	(1.06)	(1.87)
Buildings	328.26	1.73	-	-	329.99	69.16	11.74	-	-	80.90	249.09	259.10
	(317.21)	(4.49)	(1.04)	(7.60)	(328.26)	(55.96)	(11.81)	(1.57)	(0.18)	(69.16)	(259.10)	(261.25)
Plant and equipments	857.40	14.72	5.53	-	866.59	399.44	68.61	-	5.07	462.98	403.61	457.96
	(846.45)	(20.26)	(9.31)	-	(857.40)	(332.92)	(72.43)	-	(5.91)	(399.44)	(457.96)	(513.53)
Furniture and fixtures	6.77	-	-	-	6.77	4.33	0.54	-	-	4.87	1.90	2.44
	(7.04)	-	(0.27)	-	(6.77)	(3.85)	(0.63)	-	(0.15)	(4.33)	(2.44)	(3.19)
Vehicles	1.38	0.31	-	-	1.69	1.06	0.11	-	-	1.17	0.52	0.32
	(1.38)	-	-	-	(1.38)	(0.98)	(0.08)	-	-	(1.06)	(0.32)	(0.40)
Office equipments	37.69	0.20	-	-	37.89	31.17	2.01	-	-	33.18	4.71	6.52
	(39.95)	(1.10)	(3.36)	-	(37.69)	(31.64)	(2.69)	-	(3.16)	(31.17)	(6.52)	(8.31)
Total	**1,313.47**	**16.96**	**5.53**	**-**	**1,324.90**	**507.81**	**83.48**	**-**	**5.07**	**586.22**	**738.68**	**805.66**
Previous year	**(1,306.21)**	**(25.85)**	**(26.19)**	**(7.60)**	**(1,313.47)**	**(439.40)**	**(87.84)**	**(1.57)**	**(21.00)**	**(507.81)**	**(805.66)**	**(866.81)**

* Reclassified from investment property.

Notes:

(i) Figures in brackets relates to previous year.

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

(iii) Disposals for the previous year includes damages to plant and equipment due to a fire accident at the Puducherry facility amounting to ₹2.25 crores, as mentioned in note 53 and write-off of assets amounting to ₹2.53 crores, which are no longer usable due to the sale of shareholding in Sequent Penems Private Limited, a wholly-owned subsidiary, as mentioned in note 54.

(iv) The title deeds of freehold land and building (as at March 31, 2025 gross block ₹177.69 Crores and net block of ₹142.62 Crores) (as at March 31, 2024 gross block ₹176.39 Crores and net block of ₹145.46 Crores) capitalised in the books of the Company are in the name of erstwhile Companies as given below. The Company is in the process transferring the title deeds of such properties in its name.

Relevant line item in the Balance sheet	Description of item of property	Gross Value of property	Title deed held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Property Plant and Equipment	Freehold Land	0.21 (0.21)	Shasun Drugs wholly owned by Messrs. Shasun Chemicals (Madras) Pvt. Ltd.	No	October 1, 2017	The title deeds are in the name of transferor Companies, which were transferred to the Company pursuant to the Composite Scheme of Arrangement as approved by the National Company Law Tribunal. The company is in the process of transferring in its name.
Property Plant and Equipment	Buildings	85.87 (85.13)	Shasun Drugs wholly owned by Messrs. Shasun Chemicals (Madras) Pvt. Ltd.	No	October 1, 2017	The title deeds are in the name of transferor Companies, which were transferred to the Company pursuant to the Composite Scheme of Arrangement as approved by the National Company Law Tribunal. The company is in the process of transferring in its name.
Property Plant and Equipment	Freehold Land	0.33 (0.33)	Shasun Chemicals and Drugs Limited	No	October 1, 2017	The title deeds are in the name of transferor Companies, which were transferred to the Company pursuant to the Composite Scheme of Arrangement as approved by the National Company Law Tribunal. The company is in the process of transferring in its name.
Property Plant and Equipment	Freehold Land	2.09 (2.09)	Strides Shasun Limited	No	October 1, 2017	The title deeds are in the name of transferor Companies, which were transferred to the Company pursuant to the Composite Scheme of Arrangement as approved by the National Company Law Tribunal. The company is in the process of transferring in its name.
Property Plant and Equipment	Freehold Land	52.18 (52.18)	Sequent Scientific Limited	No	October 1, 2017	The title deeds are in the name of transferor Companies, which were transferred to the Company pursuant to the Composite Scheme of Arrangement as approved by the National Company Law Tribunal. The company is in the process of transferring in its name.
Property Plant and Equipment	Buildings	36.87 (36.31)	Sequent Scientific Limited	No	October 1, 2017	The title deeds are in the name of transferor Companies, which were transferred to the Company pursuant to the Composite Scheme of Arrangement as approved by the National Company Law Tribunal. The company is in the process of transferring in its name.
Property Plant and Equipment	Freehold Land	0.14 (0.14)	Shasun Pharmaceuticals Limited	No	October 1, 2017	The title deeds are in the name of transferor Companies, which were transferred to the Company pursuant to the Composite Scheme of Arrangement as approved by the National Company Law Tribunal. The company is in the process of transferring in its name.
Total		**177.69**				
Previous year		**(176.39)**				

Notes

to the consolidated financial statements for the year ended March 31, 2025

NOTE NO. 4 LEASES

(i) Right-of-use assets

₹ in Crores

Particulars	Gross block					Accumulated depreciation				Net block	
	As at April 01, 2024	Additions	Transfers	Disposals	As at March 31, 2025	As at April 01, 2024	Depreciation for the year	Eliminated on disposal	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024
Leasehold Land	59.85	-	-	-	59.85	7.66	1.58	-	9.24	50.61	52.19
	(59.85)	-	-	-	(59.85)	(6.08)	(1.58)	-	(7.66)	(52.19)	(53.77)
Buildings	-	8.39	-	-	8.39	-	1.26	-	1.26	7.13	-
	-	-	-	-	-	-	-	-	-	-	-
Total	**59.85**	**8.39**	**-**	**-**	**68.24**	**7.66**	**2.84**	**-**	**10.50**	**57.74**	**52.19**
Previous year	**(59.85)**	**-**	**-**	**-**	**(59.85)**	**(6.08)**	**(1.58)**	**-**	**(7.66)**	**(52.19)**	**(53.77)**

Notes:

(i) Figures in brackets relates to previous year.

(ii) Lease liabilities

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	12.12	11.70
Addition	8.07	-
Accretion of interest	1.96	1.30
Payments	(2.13)	(0.88)
Deletion	-	-
Closing balance	**20.02**	**12.12**
Maturity analysis:		
- Year 1	2.99	0.92
- Year 2	3.32	0.96
- Year 3	3.31	1.01
- Year 4	3.48	1.06
- Year 5	1.57	1.11
- Year 6 onwards	47.95	49.15
- Less: Unmatured finance charges	(42.60)	(42.09)
Total	**20.02**	**12.12**
Non-current	17.77	11.61
Current	2.25	0.51

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

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Depreciation charge on Right-of-use asset	2.84	1.58
Finance cost: Interest expense	1.96	1.30
Short term lease payments (Refer Note (i) below)	2.67	2.76

Note:

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

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

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Cash outflows for lease payments	2.13	0.88

NOTE NO. 5 CAPITAL WORK IN PROGRESS

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	256.37	238.47
Add: Additions	40.71	45.20
Less: Capitalised	(17.03)	(27.30)
Closing balance	**280.05**	**256.37**

Notes:

(i) Ageing of Capital work in progress:

Particulars	Amount in Capital work in progress for a period of				As at March 31, 2025	As at March 31, 2024
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Project in progress	27.75	34.05	65.80	152.45	280.05	256.37
	(34.59)	(66.34)	(112.74)	(42.70)	(256.37)	(238.47)
Total	**27.75**	**34.05**	**65.80**	**152.45**	**280.05**	**256.37**
Previous year	**(34.59)**	**(66.34)**	**(112.74)**	**(42.70)**	**(256.37)**	**(238.47)**

As on the date of the balance sheet, except for the below mentioned Capital work in progress project there are no other capital work-in-progress projects whose completion is overdue or has exceeded the cost.

Capital Work In Progress	To be Completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Vizag Project		241.41	-	-
	(240.29)	-	-	-
Total	**-**	**241.41**	**-**	**-**
Previous year	**(240.29)**	**-**	**-**	**-**

NOTE NO. 6 INVESTMENT PROPERTY

₹ in Crores

Particulars	Gross block				Accumulated depreciation					Net block	
	As at April 01, 2024	Additions	Reclassification*	As at March 31, 2025	As at April 01, 2024	Depreciation for the year	Impairment (Refer note 54)	Reclassification*	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024
Land	-	-	-	-	-	-	-	-	-	-	-
	(8.24)	-	(8.24)	-	-	-	(0.26)	(0.26)	-	-	(8.24)
Buildings	3.02	-	-	3.02	0.63	0.11	-	-	0.74	2.28	2.39
	(19.21)	-	(16.19)	(3.02)	(3.51)	(0.67)	(2.07)	(5.62)	(0.63)	(2.39)	(15.70)
Total	**3.02**	**-**	**-**	**3.02**	**0.63**	**0.11**	**-**	**-**	**0.74**	**2.28**	**2.39**
Previous year	**(27.45)**	**-**	**(24.43)**	**(3.02)**	**(3.51)**	**(0.67)**	**(2.33)**	**(5.88)**	**(0.63)**	**(2.39)**	**(23.94)**

* Reclassified to Property, plant and equipment.

Notes:

(i) Figures in brackets relates to previous year.

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

(iii) The title deeds of investment property (as at March 31, 2025 gross block ₹3.02 Crores and net block of ₹2.28 Crores) (as at March 31, 2024 gross block ₹3.02 Crores and net block of ₹2.39 Crores) capitalised in the books of the Company are in the name of erstwhile Companies as given below. The Company is in the process transferring the title deeds of such properties in its name.

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

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

₹ in Crores

Particulars	Gross block		Net block	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Buildings	3.02	3.02	2.28	2.39

(v) Fair value of investment properties:

The Group obtains independent valuations for its investment properties once in three years. The latest fair value of the Group's investment properties were carried out as at March 31, 2024 which indicated fair value of ₹7.53 Crores on the basis of a valuation carried out by independent valuers. The said valuers are registered with the authority which governs valuers in India and have appropriate qualifications and relevant experience in the valuation of properties in the relevant locations. The inputs used are as follows:

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

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

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

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Depreciation charge on investment properties	0.11	0.67
Other income: Rental income	1.02	0.97

NOTE NO. 7 GOODWILL

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Goodwill	364.90	365.09
Total	**364.90**	**365.09**

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

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Human API business	357.95	358.14
R&D business	0.43	0.43
Strides Chemicals Private Limited	6.52	6.52
Total	**364.90**	**365.09**

Impairment assessment of goodwill allocated to the "Human API business" as at March 31, 2025:

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

Considering the historical performance of this business since acquisition and based on the forward looking estimates, including the changes in estimated future economic conditions, revisions were made to the cash flow projections and other key assumptions such as discount rate and the terminal growth rate. The cash flows are discounted using a post tax discount rate of 17.00% (March 31, 2024: 16.00%). The terminal value of cash generating unit is arrived at by extrapolating cash flows of latest forecasted year to perpetuity using a constant long-term growth rate of 3.00% (March 31, 2024: 3.00%) p.a. which is consistent with the industry forecasts for the generic API market.

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

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

	Movement
Terminal growth rate	3.00% decrease
	(3.00% decrease)
Post tax discount rate	6.90% increase
	(6.45% increase)
Expected net revenue growth rates	6.30% decrease for short term and 3.0% decrease for long term
	(9% decrease for short term and 3.0% decrease for long term)

The details given in brackets relate to previous year

NOTE NO. 8 OTHER INTANGIBLE ASSETS

₹ in Crores

Particulars	Gross block				Accumulated depreciation				Net block	
	As at April 01, 2024	Additions	Disposals	As at March 31, 2025	As at April 01, 2024	Amortisation for the year	Eliminated on disposal	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024
Registrations and brands	4.33	-	-	4.33	2.46	0.41	-	2.87	1.46	1.87
	(4.33)	-	-	(4.33)	(2.05)	(0.41)	-	(2.46)	(1.87)	(2.28)
Product portfolio (Refer note (ii) below)	105.50	-	-	105.50	69.12	10.64	-	79.76	25.74	36.38
	(105.50)	-	-	(105.50)	(58.48)	(10.64)	-	(69.12)	(36.38)	(47.02)
Software and licenses	28.12	0.06	-	28.18	23.81	1.77	-	25.58	2.60	4.31
	(26.67)	(1.45)	-	(28.12)	(21.62)	(2.19)	-	(23.81)	(4.31)	(5.05)
Total	**137.95**	**0.06**	**-**	**138.01**	**95.39**	**12.82**	**-**	**108.21**	**29.80**	**42.56**
Previous year	**(136.50)**	**(1.45)**	**-**	**(137.95)**	**(82.15)**	**(13.24)**	**-**	**(95.39)**	**(42.56)**	**(54.35)**

Notes:

(i) Figures in brackets relates to previous year.

(ii) The remaining amortisation period of product portfolio as at March 31, 2025 is 2.5 years (March 31, 2024: 3.5 years).

NOTE NO. 9 INVESTMENTS

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Investments carried at fair value through profit and loss:		
Equity shares, unquoted		
Tulysan Nec Limited, India	0.01	0.01
- 3,750 (As at March 31, 2024 - 3,750) shares of ₹10 each fully paid up		
Watsun Infrabuild Private Limited, India	0.37	0.37
- 3,68,694 (As at March 31, 2024 - 3,68,694) shares of ₹10 each fully paid up		
Vaayu Renewable Energy (Muthamalpuram) Pvt. Ltd.	0.00	0.00
- 2,600 (As at March 31, 2024 - 2600) shares of ₹10 each fully paid up		
Investment in Huoban Energy 3 Private Limited	1.28	1.28
- 7,07,182 (As at March 31, 2024 - 7,07,182) shares of ₹10 each fully paid up		
SIPCOT Industrial Common Utilities Limited, India	0.04	0.04
- 4,242 (As at March 31, 2023 - 4,242) shares of ₹100 each fully paid up		
Total	**1.70**	**1.70**
Aggregate amount of unquoted investments	1.70	1.70
Aggregate amount financial assets carried at cost	-	-
Aggregate amount financial assets carried at fair value through profit and loss	1.70	1.70

NOTE NO. 10 LOANS

(i) Current loans

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Considered good - unsecured:		
Loans to employees	0.02	0.34
Total	**0.02**	**0.34**

NOTE NO. 11 OTHER FINANCIAL ASSETS

(i) Non-current financial assets

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Considered good - unsecured:		
Security deposits	16.32	15.35
Total	**16.32**	**15.35**

(ii) Current financial assets

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Considered good - unsecured:		
Interest accrued on deposit	0.02	0.01
Incentives receivables	12.23	7.41
Insurance claim receivables	0.11	-
Total	**12.36**	**7.42**

NOTE NO. 12 DEFERRED TAX BALANCES

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax assets	-	-
Deferred tax liabilities	-	-
Deferred tax assets/ (liabilities) (net)	**-**	**-**

₹ in Crores

2024-25	Opening balance	Recognised in statement of profit or loss	Recognised in other comprehensive income	Other adjustments	Closing balance
Property, plant and equipment	(75.34)	6.20	-	-	(69.14)
Intangible assets - other than goodwill	(11.52)	5.96	-	-	(5.56)
Carry forward business loss and unabsorbed depreciation	86.86	(12.16)	-	-	74.70
Total	**-**	**-**	**-**	**-**	**-**

₹ in Crores

2023-24	Opening balance	Reversal of deferred tax asset including MAT credit (refer below note iii)	Recognised in other comprehensive income	Other adjustments	Closing balance
Property, plant and equipment	(73.44)	(1.90)	-	-	(75.34)
Intangible assets - other than goodwill	(9.87)	(1.65)	-	-	(11.52)
Right-of-use assets	4.75	(4.75)	-	-	-
Provision for employee benefits	17.95	(17.95)	-	-	-
Provision for doubtful receivables	10.02	(10.02)	-	-	-
Carry forward business loss and unabsorbed depreciation	59.18	27.68	-	-	86.86
MAT Credit entitlement	69.97	(69.95)	-	(0.02)	-
Total	**78.56**	**(78.54)**	**-**	**(0.02)**	**-**

Notes:

(i) The Group has presently, decided not to opt for the New Tax Regime inserted as section 115BAA of the Income-tax Act, 1961 and enacted by the Taxation Laws (Amendment) Ordinance, 2019 ('the Ordinance') which is applicable from Financial Year beginning April 1, 2019. Company has accordingly applied the existing tax rates in the financial statements for the year ended March 31, 2025.

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

(iii) The Group has significant carried forward losses under income tax act. While the Group expects to increase operations in the future, in view of the significant carried forward losses and resulting impact on future taxable profits, the Group has written off Deferred tax assets (including MAT credit entitlement) amounting to 78.54 crores during the previous year ended March 31, 2024 and also, the Group has restricted the recognized Deferred Tax Asset up to the amount of the Deferred Tax Liability.

(iv) Based on legal advice received by the Company, the Company has claimed in its income tax returns, depreciation on Goodwill and Product Portfolios relating to both businesses acquired through the aforesaid demerger. These claims were disallowed by the assessing officer. The Company has preferred appeal with Commisisoner of income tax (appeals). Order against appeal had been passed vide order dated April 18, 2024, confirming disallowance of depreciation on goodwill & product portfolio and the Company has filed an appeal before the ITAT against it on May 06, 2024.The Company has not recognised deferred tax assets in the books of account in respect of claims relating to depreciation on the

Goodwill relating to both the businesses and Product portfolio (relating to the Commodity API business). While the Company has consistently taken a view as aforesaid in the books of account, the Company has been legally advised that the claims made in the tax returns are tenable. As at March 31, 2025, the potential unrecognised claims in respect of the above is amounting to ₹600.38 Crores (₹591.22 crores as on March 31, 2024). The benefit of these tax credits will be evaluated and recognized in the year in which, based on management's best judgement, such credits are confirmed to be available for future set offs against taxable profits. Also refer note 40, regarding income tax litigations.

(v) In addition to above, the Group has not recognised deferred tax assets ₹160.04 crores as on March 31, 2025 (₹173.93 crores as on March 31, 2024) relating to carried forward loss (including unabsorbed depreciation) as there is no reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

NOTE NO.13 INCOME TAX ASSETS (NET)

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Advance income tax (net of provisions)	4.52	3.62
Total	**4.52**	**3.62**

NOTE NO. 14 OTHER ASSETS

(i) Other non-current assets

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Considered good - unsecured:		
Capital advances	6.69	4.80
Prepaid expenses	0.43	0.48
Considered doubtful - unsecured:		
Capital advances	0.66	0.61
Advances to others	7.55	7.55
Less: Allowance for doubtful advances	(8.21)	(8.16)
	-	-
Total	**7.12**	**5.28**

(ii) Other current assets

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Considered good - unsecured:		
Advances to suppliers	9.46	11.34
Advances to employees	0.38	-
Prepaid expenses	16.23	11.42
Balances with government authorities:		
- GST credit & other receivable	41.70	40.73
Considered doubtful - unsecured:		
Advances to suppliers	0.01	0.06
Less: Allowance for doubtful advances	(0.01)	(0.06)
	-	-
Total	**67.77**	**63.49**

NOTE NO. 15 INVENTORIES

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Raw materials	77.81	80.04
- Goods-in-transit	1.53	2.07
Work-in-progress	159.81	142.85
Finished goods	70.51	126.47
Stores and spares	8.24	8.27
Total	**317.90**	**359.70**

Note:

(i) Value by which inventories have been written down to net realisable value amounted to ₹130.22 Crores (including provision of ₹122.81 crores as per below note (ii)) (As at March 31, 2024: ₹133.74 Crores)(including provision of ₹122.81 crores as per below note (ii))

(ii) The group has been carrying inventories relating to Covid/ anti-viral drugs manufactured during the pandemic amounting to ₹122.81 crores. With World Health Organisation ("WHO") declaring end of pandemic phase of Covid -19 and in the absence of immediate alternate market for these inventories identified by the group based on its efforts until March 31, 2024, the group has conservatively provided for the aforesaid inventories during the previous year ended March 31, 2024. The group continue to explore the possibility of liquidating the same within its shelf life.

NOTE NO. 16 TRADE RECEIVABLES

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivables considered good - unsecured	327.21	349.76
Trade receivables - credit impaired	25.95	25.95
	353.16	375.71
Less: Loss allowance	(26.59)	(27.19)
Total	**326.57**	**348.52**

Notes:

(i) Outstanding for the following period from due date of payments as at March 31, 2025:

₹ in Crores

Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2025
(i) Undisputed Trade Receivables - Considered Good	263.56	43.37	4.56	15.63	0.09	-	327.21
(ii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	19.81	19.81
(iii) Disputed Trade Receivables - Credit impaired	-	-	-	-	6.14	-	6.14
Total	**263.56**	**43.37**	**4.56**	**15.63**	**6.23**	**19.81**	**353.16**

(ii) Outstanding for the following period from due date of payments as at March 31, 2024:

₹ in Crores

Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2024
(i) Undisputed Trade Receivables - Considered Good	195.71	116.72	21.29	14.45	1.59	-	349.76
(ii) Undisputed Trade Receivables - credit impaired	-	-	-	-	19.81	-	19.81
(iii) Disputed Trade Receivables - Considered Good	-	-	-	6.14	-	-	6.14
Total	**195.71**	**116.72**	**21.29**	**20.59**	**21.40**	**-**	**375.71**

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

(iv) Movement in Loss allowance:

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	27.19	16.20
Add: Movement in loss allowance on trade receivables calculated at lifetime expected credit losses	(0.60)	10.99
Closing balance	**26.59**	**27.19**

(v) During the previous year ended March 31, 2024, the Group had received claims of ₹43.80 crores from two of its related party customers. Subsequent to the year ended March 31, 2024, the Group has settled these claims by way of a settlement agreement, pursuant to which claims aggregating to ₹36.79 crores have been adjusted against 'Revenue from operations' and ₹7.01 crores has been included under 'Other expenses' during the previous year ended March 31, 2024.

The Group has receivables from customers mentioned above amounting to ₹0.27 crores (March 31 2024 - ₹16.34 Crores).

NOTE NO.17 CASH AND CASH EQUIVALENTS

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Cash on hand	0.02	0.02
Balance with banks:		
- In current accounts	3.14	3.07
- In deposit accounts	0.79	5.35
Total	**3.95**	**8.44**

NOTE NO. 18 BANK BALANCES OTHER THAN ABOVE

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
In earmarked accounts:		
Unpaid dividend accounts	0.16	0.16
Total	**0.16**	**0.16**

NOTE NO. 19 EQUITY SHARE CAPITAL

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Authorised		
120,000,000 equity shares of ₹10/- each with voting rights	120.00	120.00
(March 31, 2024: 120,000,000 equity shares of ₹10/- each)		
	120.00	**120.00**
Issued, subscribed and fully paid-up		
36,054,267 equity shares of ₹10/- each fully paid with voting rights (March 31, 2024: 35,996,267 equity shares of ₹10/- each)	36.06	36.00
1,19,98,755 equity shares of ₹10/- each paid up ₹3.5/- per share with voting rights	4.19	-
Total	**40.25**	**36.00**

(i) Reconciliation of number of shares and amount outstanding (fully paid up)

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Equity share capital				
Equity share of ₹10/- each				
Opening balance	**3,59,96,267**	**36.00**	**3,59,96,267**	**36.00**
Issue of shares pursuant to pursuant to Right issue (Refer note 49)	58,000	0.06	-	-
Closing balance	**3,60,54,267**	**36.06**	**3,59,96,267**	**36.00**

(ii) Reconciliation of number of shares and amount outstanding (partly paid up)

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Equity share capital				
Equity share of ₹10/- each				
Opening balance	**-**	**-**	**-**	**-**
Issue of shares pursuant to pursuant to Right issue (Refer note 49)	1,19,98,755	4.19	-	-
Closing balance	**1,19,98,755**	**4.19**	**-**	**-**

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

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

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

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	%	No. of shares	%
Fully paid equity shares				
TPG Growth IV SF Pte. Ltd.	12,55,149	3.48%	41,30,321	11.47%
Spiracca Ventures LLP	37,08,503	10.29%	37,58,500	10.44%
Pronomz Ventures LLP	26,74,424	7.42%	23,32,463	6.48%
Partly paid equity shares				
Devicam Capital LLP	64,24,262	53.54%	-	-

(v) Shares held by promoters at the end of the year (fully paid up):

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Arun Kumar Pillai	16,68,463	-	16,68,463	4.63%	0.00%
Karuna Business Solutions LLP	69,526	-	69,526	0.19%	0.00%
Pronomz Ventures LLP	23,32,463	3,41,961	26,74,424	7.42%	14.66%
SRJR Enterprise LLP	17,00,100	-	17,00,100	4.72%	0.00%
K R Ravishankar	13,25,260	-	13,25,260	3.68%	0.00%
Chayadeep Ventures LLP	10,12,400	-	10,12,400	2.81%	0.00%
Agnus Capital LLP	8,49,635	-	8,49,635	2.36%	0.00%
Chayadeep Properties Private Limited	5,25,730	-	5,25,730	1.46%	0.00%
Devicam Capital LLP	10,39,298	-	10,39,298	2.88%	0.00%
Karuna Ventures Private Limited	11,105	-	11,105	0.03%	0.00%
Deepa Arun Kumar	58,002	-	58,002	0.16%	0.00%
Tarini Arun Kumar	53,333	-	53,333	0.15%	0.00%
Aditya Arun Kumar	53,333	-	53,333	0.15%	0.00%
Vineetha Mohanakumar Pillai	24,166	-	24,166	0.07%	0.00%
Padmakumar Karunakaran Pillai	41,393	-	41,393	0.11%	0.00%
Hemalatha Pillai	45,813	-	45,813	0.13%	0.00%
Sajitha Pillai	53,333	-	53,333	0.15%	0.00%
Rajitha Gopalakrishnan	27,500	-	27,500	0.08%	0.00%
K R Lakshmi	21,727	-	21,727	0.06%	0.00%
Agraganya Private Trust	61,224	-	61,224	0.17%	0.00%
Total	**1,09,73,804**	**3,41,961**	**1,13,15,765**		

(vi) Shares held by promoters at the end of the year (partly paid up):

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Devicam Capital LLP	-	64,24,262	64,24,262	53.54%	100.00%
Agraganya Private Trust	-	4,62,160	4,62,160	3.85%	100.00%
Padmakumar Karunakaran Pillai	-	13,797	13,797	0.11%	100.00%
Vineetha Mohanakumar Pillai	-	8,055	8,055	0.07%	100.00%
K R Lakshmi	-	7,242	7,242	0.06%	100.00%
	-	**69,15,516**	**69,15,516**		

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

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Towards employee stock options	13,08,778	1.31	4,06,778	0.41

NOTE NO.20 OTHER EQUITY

₹ in Crores

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
Capital reserve	20 (i)	0.01	0.01
Securities premium account	20 (ii)	1,368.66	1,216.03
Retained earnings	20 (iii)	(315.63)	(317.52)
Share options outstanding account	20 (iv)	3.29	1.65
Foreign currency translation reserve	20 (v)	(2.34)	(2.26)
Total		**1,053.99**	**897.91**

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
(A) Reserves and surplus		
(i) Capital reserve		
Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserve.		
Opening balance	0.01	0.01
Closing balance	**0.01**	**0.01**
(ii) Securities premium account		
Amounts received on issue of shares in excess of the par value has been classified as securities premium.		
Opening balance	1,216.03	1,216.03
Add: Premium on Issue of Share during the year pursuant to Right issue	153.28	-
Add: Premium on Issue of Share during the year pursuant to ESOP	2.24	-
Less: Share issue expenses related to Rights issue	(2.89)	-
Closing balance	**1,368.66**	**1,216.03**
(iii) Retained earnings		
Retained earnings comprises of the amounts that can be distributed by the Company as dividends to its equity share holders.		
Opening balance	(317.52)	249.31
Add: Net profit attributable to owners of the Company	0.54	(567.39)
Add: Transfer to retained earnings on stock options lapsed during the year	0.29	-
Add: Other comprehensive income arising from measurement of defined benefit obligation (net of tax)	1.06	0.56
Closing balance	**(315.63)**	**(317.52)**
(iv) Share options outstanding account		

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
The share option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account will be transferred to securities premium reserve upon exercise of stock options by employees.		
Opening balance	1.65	1.05
Add: Employee stock compensation expenses	2.68	0.60
Less: Transferred to securities premium account on exercise (net)	(0.75)	-
Less: Transfer to retained earnings on stock options lapsed during the year	(0.29)	
Closing balance	**3.29**	**1.65**
Total Reserves and surplus (A)	**1,056.33**	**900.17**
(B) Items of other comprehensive income		
(v) Foreign currency translation reserve		
Foreign currency translation reserve comprises of exchange (gain)/loss arising on translation of foreign subsidiary		
Opening balance	(2.26)	(2.19)
Add / (Less): Movement during the year	(0.08)	(0.07)
Closing balance	**(2.34)**	**(2.26)**
Total items of other comprehensive income (B)	**(2.34)**	**(2.26)**
Attributable to equity holders of the Company [A + B]	**1,053.99**	**897.91**

Notes:

Distributions made:

(i) The Company has not declared any dividend during the year ended March 31, 2025 and March 31, 2024.

NOTE NO. 21 NON-CONTROLLING INTERESTS

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	2.67	2.24
Add: Profit for the year	0.00	0.43
Less: Non-controlling interests acquired during the year transferred to Retained earnings	-	-
Closing balance	**2.67**	**2.67**

NOTE NO. 22 BORROWINGS

(i) Non-current borrowings

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Secured		
Term loans from banks (Refer note (i) to (v) below)	40.91	85.12
Term loans from others (Refer note (vi) & (vii) below)	72.95	20.71
Total	**113.86**	**105.83**

Notes

to the consolidated financial statements for the year ended March 31, 2025

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

₹ in Crores

Terms of repayment and security	As at March 31, 2025	As at March 31, 2024
(i) Term loans from banks: Loan 1		
Non-current borrowings	-	-
Current maturities of non-current borrowings	23.72	71.16
Security: First Paripassu Charge on the Immovable Property, plant and equipment located at Pondicherry, Mangalore and Mysore of the Company and on all the movable Property, Plant and equipment of the Company and Second Charge on Current Assets of the Company. Rate of interest: - 1 Year MCLR plus 1.65% p.a, (MCLR - 9.60%) Repayment terms: ₹3.95 Cr per month starting from March 2022		
(ii) Term loans from banks: Loan 2		
Non-current borrowings	-	10.53
Current maturities of non-current borrowings	10.53	10.12
Security: First Paripassu Charge on the Movable and Immovable Property, plant and equipment (except lease hold land at Cuddalore, Vizag and Ambernath) of the Company and Second Charge on Current Assets of the Company. Rate of interest: - 6 months MCLR plus 1.00% p.a, (MCLR - 9.30%) Repayment terms: 0.98 Cr per month starting from February 2022		
(iii) Term loans from banks: Loan 3		
Non-current borrowings	14.50	32.56
Current maturities of non-current borrowings	18.11	16.35
Security: First paripassu charge on the movable and immovable Property, plant and equipment (except lease hold land at Cuddalore, Vizag and Ambernath) and second paripassu charge on current assets of the Company. Rate of interest: - 6 months MCLR plus 1.20% p.a, (MCLR - 9.30%) Repayment terms: ₹1.72 Cr EMI per month ,starting from November 2022		
(iv) Term loans from banks: Loan 4		
Non-current borrowings	-	-
Current maturities of non-current borrowings	-	11.67
Security: First paripassu charge on all moveable & immoveable Property, plant and equipment (except lease hold land at Cuddalore , Vizag and Ambernath) and second paripassu charge on all current assets of the Company. Rate of interest: - 10.5% p.a Repayment terms: ₹1.67 Cr per month		
(v) Term loans from banks: Loan 5		
Non-current borrowings	26.41	42.03
Current maturities of non-current borrowings	15.05	15.00
Security: First paripassu charge on all Property, plant and equipment (except lease hold land at Cuddalore , Vizag and Ambernath) of the Company present & future including intangible Assets, second paripassu on all current assets of the Company both present & future. Rate of interest: - 6 Months MCLR plus 1.50% p.a, (MCLR - 10.45%) Repayment terms: ₹1.17 Cr per month starting from February 2023		
(vi) Term loans from others: Loan 6		
Non-current borrowings	10.62	20.71
Current maturities of non-current borrowings	10.08	8.98
Security: First paripassu charge on all Property, plant and equipment (except lease hold land at Cuddalore, Vizag and Ambernath) of the Company present & future including intangible Assets, second paripassu on all current assets of the Company both present & future. Rate of interest: Long term reference rate of ABFL (LTRR) +/- Spread p.a Repayment terms: ₹0.99 Cr EMI per month starting from January 2022		
(vii) Term loans from others: Loan 7		
Non-current borrowings	62.33	-
Current maturities of non-current borrowings	11.81	-
Security: First pari passu charge on all Property, plant and equipment (except lease hold land at Cuddalore, Vizag and Ambernath) of the Company present & future including intangible Assets, second paripassu on all current assets of the Company both present & future. Rate of interest - Long term reference rate of ABFL (LTRR) +/- Spread p.a Repayment terms: ₹1.66 Cr EMI per month starting from March 2025		

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Disclosed under non-current borrowings	113.86	105.83
Disclosed under current borrowings		
-Current maturities of non-current borrowings	89.30	133.28

During the financial year ended March 31, 2025, for non-current borrowings aggregating to ₹203.16 crores (including current maturities of non-current borrowings), some of the financial covenants have been breached mainly due to temporary softness in demand for some of the key products. The Group has made representation to the lenders to waive from the testing of financial covenants for the year ended March 31, 2025.

(ii) Current borrowings

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Secured loans repayable on demand from banks:		
Working capital loans	535.40	669.27
Current maturities of non-current borrowings (Refer note 22(i))	89.30	133.28
Unsecured loans		
Loans from others	37.50	73.00
Loans from Related Party (Refer note 42C)	-	18.00
Total	**662.20**	**893.55**

Details of security for the current borrowings repayable on demand:

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

b) Rate of interest for INR borrowings ranges from 9.15% to 11.75%

c) Rate of interest for USD borrowings ranges from 6.15% to 10.22%

d) Rate of interest for Unsecured borrowings ranges from 15.00% to 18.00%

(iii) Reconciliation between the opening and closing balance in balance for financial labilities arising form financial activites are given below

₹ in Crores

Particulars	As at March 31, 2024	Net proceeds/ (Repayment)	Non cash changes *	As at March 31, 2025
Non current borrowings (including current maturities)	239.11	(35.95)	-	203.16
Current borrowings	760.27	(185.43)	(1.94)	572.90

* Non cash changes includes unamoritsed processing cost and unrealised foreign exchange loss/gain

₹ in Crores

Particulars	As at March 31, 2023	Net proceeds/ (Repayment)	Non cash changes *	As at March 31,2024
Non current borrowings (including current maturities)	352.35	(113.60)	0.36	239.11
Current borrowings	648.80	111.45	0.02	760.27

* Non cash changes includes unamoritsed processing cost and unrealised foreign exchange loss/gain

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

NOTE NO. 23 OTHER FINANCIAL LIABILITIES

(i) Other non-current financial liabilities

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Security deposits	0.42	0.42
Total	**0.42**	**0.42**

(ii) Other current financial liabilities

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Interest accrued but not due on borrowings	5.09	3.38
Unclaimed dividends*	0.16	0.16
Other payables:		
Payables on purchase of property, plant and equipment	12.64	9.98
Total	**17.89**	**13.52**

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

NOTE NO.24 PROVISIONS

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits:		
Compensated absences	12.08	12.05
Total	**12.08**	**12.05**
Non-current	9.85	10.08
Current	2.23	1.97

NOTE NO.25 OTHER LIABILITIES

(i) Other non-current liabilities

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Contract liability:		
Provision for employee benefits:		
Gratuity (Refer note 41)	48.92	43.59
Total	**48.92**	**43.59**

(ii) Other current liabilities

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Contract liability:		
Advance from customers	0.78	4.19
Other Advance	-	11.54
Other payables:		
- Statutory liabilities	4.24	4.49
- Payable to employees	5.89	-
Total	**10.91**	**20.22**

Note:
(i) During the year ended March 31, 2025, the Group recognized revenue of ₹ 4.12 Crores (As at March 31, 2024: ₹ 7.20 Crores) arising from opening contract liability as of April 1, 2024.

NOTE NO. 26 TRADE PAYABLES

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Trade payables:		
Dues of micro and small enterprises (Refer note (iii) below)	37.99	10.63
Dues of other than micro and small enterprises	210.63	302.38
Total	**248.62**	**313.01**

Note:

(i) Outstanding for the following year from due date of payments as at March 31, 2025

₹ in Crores

Particulars	Not due*	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2025
(i) MSME	32.32	5.67	-	-	-	37.99
(ii) Others	139.65	64.91	3.86	1.67	0.54	210.63
Total	**171.97**	**70.58**	**3.86**	**1.67**	**0.54**	**248.62**

* Includes unbilled dues of ₹13.33 Crores

(ii) Outstanding for the following year from due date of payments as at March 31, 2024

₹ in Crores

Particulars	Not due*	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at March 31, 2024
(i) MSME	6.75	3.88	-	-	-	10.63
(ii) Others	200.28	94.54	6.29	0.85	0.43	302.38
Total	**207.03**	**98.42**	**6.29**	**0.85**	**0.43**	**313.01**

* Includes unbilled dues of ₹41.00 Crores

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

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
(i) The principal amount due to micro and small enterprises remaining unpaid to any supplier as at the end of each year	36.97	10.63
(ii) The interest due to micro and small enterprises remaining unpaid to any supplier as at the end of each year	0.11	-
(iii) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	0.91	-
(v) The amount of interest accrued and remaining un-paid at the end of each accounting year	1.02	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductable expenditure under the MSMED Act, 2006	-	-

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

NOTE NO. 27 CURRENT INCOME TAX LIABILITIES (NET)

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for tax (net of advance tax)	0.01	0.01
Total	**0.01**	**0.01**

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

NOTE NO. 28 REVENUE FROM OPERATIONS

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Sale of products	1,227.98	1,226.47
Sale of services	13.48	11.92
Other operating revenues (Refer note (i) below)	42.30	50.53
Total	**1,283.76**	**1,288.92**

Disaggregated revenue information

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

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from contracts with customers		
Asia Pacific	838.42	720.65
Europe	259.80	296.86
North America	75.05	87.15
South America	59.83	5.83
Rest of the World	8.36	127.90
Subtotal	**1,241.46**	**1,238.39**
Revenue from other sources		
Other operating revenues	42.30	50.53
Subtotal	**42.30**	**50.53**
Total	**1,283.76**	**1,288.92**

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

(b) Revenue from major customers

Revenue from one customer of the Company during the year ended March 31, 2025 was ₹216.14 Cr which is individually more than 10 percent of the Company's total revenue for the year. Revenue from such customer during previous year was ₹130.57 crores.

(c) Reconciliation of revenue from contracts with customers

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from contracts with customers as per the contract price	1,333.46	1,338.00
Adjustment made to contract price on account of:-		
a) discounts/Rebates//Claims	-	(48.77)
b) Sales returns/reversals	(92.00)	(50.84)
Revenue from Contracts with customers as per the Statement of profit and loss	**1,241.46**	**1,238.39**

(i) Other operating revenue comprises:

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Export incentives	14.61	14.82
Share of profit	1.17	1.62
Sale of by-products and scrap	26.52	34.09
Total	**42.30**	**50.53**

Performance obligations and remaining performance obligations:

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

NOTE NO. 29 OTHER INCOME

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest income (Refer note (i) below)	0.76	2.22
Rental income from investment properties	1.02	0.97
Other non-operating income		
- Liabilities / provisions no longer required written back	4.43	0.43
- Profit on sale of property, plant and equipment (net)	-	0.36
- Exchange fluctuation gain (net)	1.64	0.67
- Insurance claims	0.46	0.45
- Others	0.01	0.27
Total	**8.32**	**5.37**

Note:

(i) Interest income comprises:

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest from banks on deposits	0.10	0.17
Interest on loans and advances	-	1.66
Interest from others	0.66	0.39
Total	**0.76**	**2.22**

NOTE NO. 30 COST OF MATERIALS CONSUMED

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening stock	82.11	119.20
Add: Purchases	578.89	774.91
Less: Closing stock	(79.34)	(82.11)
Less : Inventory loss on account of fire at Puducherry facility (refer note 53)	-	(51.35)
Cost of materials consumed	**581.66**	**760.65**

NOTE NO. 31 PURCHASE OF STOCK-IN-TRADE

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Traded goods	5.75	5.10
Total	**5.75**	**5.10**

Notes

to the consolidated financial statements for the year ended March 31, 2025

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

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Inventories at the end of the year:		
- Finished goods	70.51	126.47
- Work-in-progress	159.81	142.85
	230.32	**269.32**
Inventories at the beginning of the year:		
- Finished goods	126.47	155.78
- Work-in-progress	142.85	274.99
	269.32	**430.77**
Less: Shown under exceptional items	**-**	**(122.18)**
Net (increase) / decrease	**39.00**	**39.27**

NOTE NO. 33 EMPLOYEE BENEFITS EXPENSES

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries and wages	177.59	206.00
Contribution to provident and other funds (Refer note 41)	18.55	20.26
Share based payments (Refer note 45)	2.68	0.60
Other employee benefits	15.94	19.71
Less: Transfer to capital work in progress	(3.07)	(2.65)
Total	**211.69**	**243.92**

NOTE NO. 34 FINANCE COSTS

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest costs:		
- Interest on bank overdrafts and loans	101.20	106.69
- Other interest expense	2.02	1.55
- Less: Amounts included in the cost of qualifying assets	-	(9.72)
Exchange difference regarded as an adjustment to borrowing costs	4.19	1.54
Interest on lease liability	1.96	1.30
Other finance costs	5.44	3.75
Total	**114.81**	**105.11**

NOTE NO. 35 DEPRECIATION AND AMORTISATION EXPENSES

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation of property, plant and equipment (Refer note 3)	83.48	87.84
Depreciation of investment properties (Refer note 6)	0.11	0.67
Depreciation of right-of-use assets (Refer note 4(i))	2.84	1.58
Amortisation of intangible assets (Refer note 8)	12.82	13.24
Total	**99.25**	**103.33**

NOTE NO. 36 OTHER EXPENSES

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Subcontracting	14.28	17.97
Power and fuel	90.87	120.28
Water	3.50	2.28
Rent including lease rentals	2.67	2.76
Repairs and maintenance:		
- Buildings	2.10	3.19
- Machinery	14.83	23.14
- Others	17.33	31.51
Insurance	9.10	8.64
Rates and taxes	1.85	2.61
Communication	1.58	1.92
Travelling and conveyance	2.98	4.25
Printing and stationery	1.95	2.40
Freight and forwarding	20.17	19.63
Sales commission	3.46	11.25
Business promotion	0.68	3.30
Donations and contributions	0.33	0.26
Expenditure on Corporate Social Responsibility	0.65	1.27
Analytical charges	0.71	0.68
Regulatory expenses	3.62	4.72
Legal and professional fees	13.41	12.95
Payments to Statutory auditors (Refer note (i) below)	0.89	0.82
Bad debts written off / Allowance for doubtful trade and other receivables	1.03	10.99
Loss on sale of property, plant and equipment (net)	-	-
Consumption of stores and spares	19.25	33.49
Miscellaneous expenses	12.14	14.85
Total	**239.38**	**335.16**

Notes:

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

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
- Audit of standalone and consolidated financial statements including limited review	0.75	0.66
- Other services	0.03	0.02
- For audit of financial statements of the subsidiaries of the Group paid to other auditors	0.06	0.06
- Reimbursement of expenses	0.05	0.08
Total	**0.89**	**0.82**

NOTE NO.37 EXCEPTIONAL ITEMS

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Exceptional loss on account of fire at Puducherry facility (refer Note 53)	-	62.50
Provision for diminution in the value of investment (refer Note 54)	-	2.33
Write off of Property, plant and equipment (refer Note 54)	-	2.53
Provision for Inventory (refer Note 15(ii))	-	122.81
Total	**-**	**190.17**

Notes

to the consolidated financial statements for the year ended March 31, 2025

NOTE NO. 38 TAX EXPENSES

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current tax		
Current tax expense	-	-
Deferred tax benefit		
Deferred tax (credit) / expenses	-	8.59
MAT credit availed	-	69.95
Net tax expense	**-**	**78.54**

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

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before income taxes:	**0.54**	**(488.42)**
Indian statutory income tax rate	34.94%	34.94%
Expected income tax expense	**0.19**	**(170.67)**
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expenses:		
Effect of expenses that are not deductible in determining taxable profit	0.70	0.53
Effect of Deferred Tax assets not recognised & reversal of Mat credit	-	78.54
Effect of unrecognised deferred tax assets on product portfolio (refer note 12(iv))	3.20	4.27
Effect of unrecognised deferred tax assets	(3.61)	165.34
Others (net)	(0.48)	0.53
Total income tax expense	**-**	**78.54**

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

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

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Inhouse:		
Salaries and wages	13.68	19.34
Depreciation and amortisation expenses	6.97	6.46
Materials	0.15	0.58
Consumption of Stores & Spares	3.43	14.62
Power and fuel	1.53	2.27
Rent including lease rentals	1.74	1.67
Others	13.95	11.04
Total	**41.45**	**55.98**

In addition, the Group has also incurred capital expenditure in such facilities of ₹0.25 Crores (March 31, 2024: ₹1.89 Crores) which has been capitalised under respective heads in the financial statements.

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

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
a) Contingent liabilities - Pending Litigations		
(i) Indirect taxes	5.78	5.96
(ii) Direct taxes	-	-
a) The Company has received assessment orders from the assessing officer. For the assessment year 2018-19, the officer disallowed the Company's claim for depreciation on goodwill and product portfolio. Order against appeal had been passed vide order dated April 18, 2024, confirming disallowance of depreciation on goodwill & product portfolio and the Company has filed an appeal before the ITAT against it on May 06, 2024.		
b) For the assessment year 2020-21, the officer disallowed the Company's claim for weighted deduction under Section 35(2AB), depreciation on goodwill and product portfolio, and deemed income under Section 41.The Company had preferred appeal with Commisisoner of income tax (appeals). Order against appeal had been passed vide order dated March 31, 2024, confirming disallowance of depreciation on goodwill & product portfolio, deduction u/s 35(2AB) & addition u/s 41 of the Act. However, issue with regard to alternate claim of deduction u/s 35(1) of the Act as against Section 35(2AB), set-off of carried forward losses and credit for taxes paid have been remanded back to AO. Company has filed an appeal before the ITAT against it on May 06, 2024.		
c) Our Company has filed a tax appeal before the CIT (A) against an assessment order dated March 21, 2024 and an assessment order dated March 17, 2025 ("Assessment Orders") passed by National Faceless Assessment Centre ("NFAC") for Assessment Year 2022-23 and 2023-24. Pursuant to the Assessment Orders, the NFAC disallowed depreciation claimed on product portfolio claimed u/s 32(1)(ii) of the Income Tax Act, 1961 ("IT Act") amounting to ₹30.05 crore and ₹24.05 crore respectively and accordingly demand notices were issued for a sum of ₹Nil. The Company has in its return of income for subsequent years also has claimed the aforesaid allowances. Refer note 12 (iv) for details.		
(iii) Other claims against the Group not acknowledged as debts	-	-
b) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
- Property, plant and equipment	50.92	36.32
- Intangible assets	0.91	0.35

NOTE NO. 41 EMPLOYEE BENEFITS PLANS

Defined contribution plan

The Group makes contributions to provident fund and employee state insurance schemes which are defined contribution plans, for qualifying employees. Under the schemes, the Group is required to contribute a specified percentage of the payroll cost to fund the benefits. The Group recognised ₹11.14 Crores (March 31, 2024: ₹12.81 Crores) for provident fund contributions, ₹0.02 Crores (March 31, 2024: ₹0.10 Crores) for employee state insurance scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

Defined benefit plan

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

Composition of the plan assets

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

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

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

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

Particulars	Valuation as at	
	March 31, 2025	March 31, 2024
Discount rate	6.65%	7.19%
Expected rate of salary increase	Year 1- 7.50% thereafter- 6.50%	Year 1- 7.50% thereafter- 6.50%
Attrition rate	11.00%	11.00%
Mortality Rate	As per IALM (2012-14) ultimate	As per IALM (2012-14) ultimate
Retirement age (years)	Karnataka - 60 years, Other - 58 years	Karnataka - 60 years, Other - 58 years

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

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Service cost:		
Current service cost	4.30	4.45
Net interest expense	2.72	2.49
Components of defined benefit costs recognised in statement of profit and loss	**7.02**	**6.94**
Remeasurement on the net defined benefit liability:		
Return on plan assets [excluding amounts included in net interest expense] (excess) / short return	0.34	0.43
Actuarial (gains) / losses arising from changes in financial assumptions	1.97	0.54
Actuarial (gains) / losses arising from experience adjustments	(3.37)	(1.53)
Components of defined benefit costs recognised in other comprehensive income	**(1.06)**	**(0.56)**
Total	**5.96**	**6.38**

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

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

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Present value of funded defined benefit obligation	62.20	61.17
Fair value of plan assets	(13.28)	(17.58)
Funded status	48.92	43.59
Net liability arising from defined benefit obligation	**48.92**	**43.59**

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

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Opening defined benefit obligation	61.17	58.01
Expenses recognised in statement of profit and loss		
Current service cost	4.30	4.45
Interest cost	4.00	3.94
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	1.97	0.54
Actuarial gains and losses arising from experience adjustments	(3.37)	(1.53)
Liabilities assumed on employees transferred from group companies	-	-
Benefits paid	(5.87)	(4.24)
Closing defined benefit obligation	**62.20**	**61.17**

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

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Opening fair value of plan assets	17.58	19.65
Expected return on plan assets	1.28	1.45
Remeasurement gain (loss):		
Contributions from the employer	0.63	1.15
Actuarial (gains) / loss on plan assets	(0.34)	(0.43)
Benefits paid	(5.87)	(4.24)
Closing fair value of plan assets	**13.28**	**17.58**

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

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate		
100bps increase	59.55	58.54
100bps decrease	65.01	64.02
Expected rate of salary increase		
100bps increase	65.13	64.14
100bps decrease	59.43	58.36

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

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

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

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

Expected future cash outflows towards the plan are as follows-

₹ in Crores

Financial Year	Amount
2025-26	11.62
2026-27	9.38
2027-28	9.29
2028-29	8.64
2029-30	7.19
2030-31 to 2034-35	24.06

NOTE NO. 42 RELATED PARTY INFORMATION:

42A List of related parties:

Director and Key Management Personnel:

Poorvank Purohit	Managing Director and Chief Executive Officer (Resigned wef February 21, 2025)
Sandeep Rao	Managing Director and Chief Executive Officer (Appointed as Managing Director and CEO wef February 21, 2025)
Jitesh Devendra	Managing Director (Resigned wef. July 05, 2023)
S Hariharan	Executive Director and Chief Finance Officer (Resigned wef. July 31, 2023)
Arun Kumar Pillai	Non-Executive Director
Kartheek Chintalapati Raju	Non-Executive Director (Appointed wef. July 05, 2023)
R. Ramakrishnan	Independent Director
Kausalya Santhanam	Independent Director
Manish Gupta	Non-Executive Director (Appointed wef. July 22, 2024)
Ankur Nand Thadani	Non-Executive Director (Resigned wef. July 22, 2024)
Rajendra Kumar Srivastava	Independent Director (Appointed wef. November 14, 2023)
Rajiv Vijay Nabar	Independent Director (Appointed wef. November 14, 2023)
Mohan Muthunarayanan	Executive Director
Sarat Kumar	Chief Financial Officer (Appointed as CFO wef February 21, 2025)
Arun Kumar Baskaran	Chief Financial Officer (Appointed as CFO wef March 08, 2024 and Resigned wef February 21, 2025)
Patri Venkat Raghavendra Rao	Chief Financial Officer (Resigned wef. February 15, 2024)
S Murali Krishna	Company Secretary

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

Strides Pharma Science Limited, India

Tenshi Pharmaceuticals Private Limited

Aurore Life Sciences Private Limited, India (wef. July 05, 2023)

Aurore Pharmaceuticals Private Limited (wef. July 05, 2023)

Tenshi Kaizen Private Limited, India

Onesource Specialty Pharma Limited (formerly known as Stelis Biopharma Limited)

Axxelent Pharma Sciences Private Limited (up to July 31,2023)

Batliboi Impex Limited (up to July 19,2023)

Steriscience Specialties Pvt Ltd, India

Chayadeep Properties Private Limited, India

42B Transactions during the year

₹ in Crores

Description	Related party	March 31, 2025	March 31, 2024
Sale of goods/(sales return)	Strides Pharma Science Limited	214.97	128.94
	Aurore Life Sciences Private Limited	0.27	0.10
	Aurore Pharmaceuticals Private Limited	-	(5.69)
	Steriscience Specialties Pvt Ltd	-	0.06
	Onesource Specialty Pharma Limited	3.47	0.05
	Tenshi Kaizen Private Limited	0.10	0.07
Sale of services	Strides Pharma Science Limited	-	0.01
	Tenshi Kaizen Private Limited	0.01	0.07
	Steriscience Specialties Pvt Ltd	0.01	-
Interest Income	Aurore Life Sciences Private Limited	-	1.66
Other operating revenue	Strides Pharma Science Limited	1.17	1.62
Purchase of goods	Strides Pharma Science Limited	-	0.02
Purchase of services	Axxelent Pharma Sciences Private Limited	-	0.06
	Batliboi Impex Limited	-	0.02
Recovery of expenses from	Strides Pharma Science Limited	7.65	11.48
Reimbursement of expenses to	Strides Pharma Science Limited	1.04	0.58
	Tenshi Pharmaceuticals Private Limited	1.31	2.42
Processing fees	Tenshi Pharmaceuticals Private Limited	-	0.27
Interest expenses on loans received	Chayadeep Properties Private Limited	0.19	-
	Tenshi Pharmaceuticals Private Limited	0.28	-
Rent & Maintenance for leased property	Strides Pharma Science Limited	1.75	1.67
Corporate Guarantee on loan availed by Parent	Tenshi Pharmaceuticals Private Limited	-	50.00
Loans received	Tenshi Pharmaceuticals Private Limited	-	18.00
	Chayadeep Properties Private Limited	10.50	-
Loans repaid	Tenshi Pharmaceuticals Private Limited	18.00	-
	Chayadeep Properties Private Limited	10.50	-
Claims received adjusted against sale {refer note 16(v)}	Aurore Pharmaceuticals Private Limited	-	36.79
Claims received accounted under other expense {refer note 16(v)}	Aurore Life Sciences Private Limited	-	7.01
Guarantee commission paid	Tenshi Pharmaceuticals Private Limited	0.09	0.13
Receipt of loan given	Aurore Life Sciences Private Limited	-	32.35
Sitting fees paid to directors	Aditya Puri	-	0.02
	Kausalya Santhanam	0.10	0.15
	Nirmal P Bhogilal	-	0.03
	R. Ramakrishnan	0.10	0.15
	Rajiv Vijay Nabar	0.10	0.04
	Rajendra Kumar Srivastava	0.10	0.02
	Manish Gupta	0.03	-
	Vineeta Rai	-	0.03
Short term employee benefits paid to (refer note (i) below)	Jitesh Devendra	-	2.18
	S Hariharan	-	1.49
	Poorvank Purohit	3.32	2.90
	Sandeep Rao	0.52	-
	Mohan M	1.68	0.36
	Patri Venkat Raghavendra Rao	-	0.52
	Arun Kumar Baskaran	0.47	0.07
	Sarat Kumar	0.19	-
	S Murali Krishna	0.61	0.48

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

Notes

to the consolidated financial statements for the year ended March 31, 2025

42C Balances as at March 31, 2025

₹ in Crores

Description	Related party	As at March 31, 2025	As at March 31, 2024
Trade payables	Tenshi Pharmaceuticals Private Limited	0.89	1.74
	Strides Pharma Science Limited	1.68	0.15
Trade receivables	Aurore Life Sciences Private Limited	0.27	2.97
	Aurore Pharmaceuticals Private Limited	-	13.16
	Strides Pharma Science Limited	62.83	47.85
	Steriscience Specialties Pvt Ltd	0.01	0.05
	Onesource Specialty Pharma Limited	0.07	0.08
	Tenshi Kaizen Private Limited	0.12	0.15
Borrowings	Tenshi Pharmaceuticals Private Limited	-	18.00
Corporate Guarantee on loan availed by Parent	Tenshi Pharmaceuticals Private Limited	-	50.00
Security deposit given	Strides Pharma Science Limited	0.72	0.72

Note - All related party transactions were entered at an arm's length basis and in the ordinary course of business.

NOTE NO. 43 EARNINGS PER SHARE

Amount in ₹

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Basic earnings per share:	0.14	(148.51)
Diluted earnings per share:	0.14	(148.51)

Earnings used in computing basic and diluted earnings per share

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit/ (Loss) attributable to the equity holders of the Company	0.54	(567.39)

Weighted average number of shares used as the denominator

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Weighted average number of equity shares used as denominator in calculating basic earnings per share	**3,98,98,909**	**3,82,04,915**
Adjustments for calculation of diluted earnings per share:		
- employee stock options	3,162	101
Weighted average number of equity shares used as denominator in calculating diluted earnings per share *	**3,99,02,071**	**3,82,05,016**

* Diluted earnings per share for the year ended March 31, 2025 is antidilution since there is loss attributable to the equity holders of the company. Therefore, Diluted earnings per share is the same as Basic earnings per share for the year ended March 31, 2025.

NOTE NO. 44 SEGMENT REPORTING

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

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

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

₹ in Crores

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
India	1,485.09	1,533.16
Total	**1,485.09**	**1,533.16**

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

NOTE NO. 45 SHARE-BASED PAYMENTS

Employee Stock Option Scheme (ESOP 2018)

The ESOP titled "Solara Employee Stock Option Plan 2018" (ESOP 2018) was approved by the shareholders and stock exchanges. 1,228,778 options are covered under the plan which are convertible into equal number of equity shares of the Company. The vesting period of these options range over a period of three years. The options must be exercised within a period of 120 days from the date of vesting. Company has granted 110,200 options (March 31, 2024: 250,000 options) under this plan during the current year.

Employee Stock Option Scheme (ESOP 2024)

The ESOP titled "Solara Employee Stock Option Plan 2024" (ESOP 2024) was approved by the shareholders and stock exchanges.960,000 options are covered under the plan which are convertible into equal number of equity shares of the Company. The vesting period of these options range over a period of three years. The options must be exercised within a period of 120 days from the date of vesting. The Company has granted 350,000 options (March 31, 2024: Nil) under this plan during the current year.

During the current year, employee compensation costs of ₹2.68 Crores (Previous year: ₹0.60 Crores) relating to the above referred Employee Stock Option Plan have been charged to the Statement of Profit and Loss.

Fair value of share options granted during the year

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

Assumptions	Grant Date: June 28, 2024 (ESOP 2018)		
	Vest 1 June 28, 2025	Vest 2 June 28, 2026	Vest 3 June 28, 2027
	20%	30%	50%
No. of options	19,040	28,560	47,600
Fair market value of option at grant date (₹)	220.59	255.00	286.22
Fair market value of share at grant date (₹)	544.90	544.90	544.90
Exercise price (₹)	375.00	375.00	375.00
Expected volatility	49.94%	48.94%	50.35%
Option life (Years)	1	2	3
Expected Dividend Yield	0.64%	0.64%	0.64%
Risk-free interest rate	6.81%	6.85%	6.87%

Assumptions	Grant Date: July 22, 2024 (ESOP 2018)		
	Vest 1 July 22, 2025	Vest 2 July 22, 2026	Vest 3 July 22, 2027
	20%	30%	50%
No. of options	3,000	4,500	7,500
Fair market value of option at grant date (₹)	244.61	279.64	310.38
Fair market value of share at grant date (₹)	573.00	573.00	573.00
Exercise price (₹)	375.00	375.00	375.00
Expected volatility	49.72%	49.38%	50.47%
Option life (Years)	1	2	3
Expected Dividend Yield	0.61%	0.61%	0.61%
Risk-free interest rate	6.72%	6.76%	6.79%

Assumptions	Grant Date: Feb 21, 2025 (ESOP 2024)		
	Vest 1 Feb 21, 2026	Vest 2 Feb 21, 2027	Vest 3 Feb 21, 2028
	20%	30%	50%
No. of options	60,000	90,000	1,50,000
Fair market value of option at grant date (₹)	179.73	203.17	242.79
Fair market value of share at grant date (₹)	490.15	490.15	490.15
Exercise price (₹)	375.00	375.00	375.00
Expected volatility	54.14%	46.46%	52.44%
Option life (Years)	1	2	3
Expected Dividend Yield	0.71%	0.71%	0.71%
Risk-free interest rate	6.49%	6.54%	6.56%

Assumptions	Grant Date: Feb 27, 2025 (ESOP 2024)		
	Vest 1 Feb 27, 2026	Vest 2 Feb 27, 2027	Vest 3 Feb 27, 2028
	20%	30%	50%
No. of options	10,000	15,000	25,000
Fair market value of option at grant date (₹)	164.13	187.13	226.53
Fair market value of share at grant date (₹)	470.70	470.70	470.70
Exercise price (₹)	375.00	375.00	375.00
Expected volatility	54.14%	46.46%	52.44%
Option life (Years)	1	2	3
Expected Dividend Yield	0.74%	0.74%	0.74%
Risk-free interest rate	6.45%	6.48%	6.51%

Fair value of share options granted during the previous year

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

Assumptions	Grant Date: Oct 19, 2023 (ESOP 2018)		
	Vest 1 Apr 29, 2023	Vest 2 Apr 29, 2024	Vest 3 Apr 29, 2025
	20%	30%	50%
No. of options	40,000	60,000	1,00,000
Fair market value of option at grant date (₹)	113.92	146.36	165.79
Fair market value of share at grant date (₹)	332.20	332.20	332.20
Exercise price (₹)	252.00	252.00	252.00
Expected volatility	36.90%	47.90%	49.30%
Option life (Years)	1	2	3
Expected Dividend Yield	1.00%	1.00%	1.00%
Risk-free interest rate	7.04%	7.18%	7.25%

Assumptions	Grant Date: Oct 26, 2023 (ESOP 2018)		
	Vest 1 Aug 4, 2023	Vest 2 Aug 4, 2024	Vest 3 Aug 4, 2025
	20%	30%	50%
No. of options	10,000	15,000	25,000
Fair market value of option at grant date (₹)	113.92	146.36	165.79
Fair market value of share at grant date (₹)	303.40	303.40	303.40
Exercise price (₹)	252.00	252.00	252.00
Expected volatility	36.90%	47.90%	49.30%
Option life (Years)	1	2	3
Expected Dividend Yield	1.00%	1.00%	1.00%
Risk-free interest rate	7.04%	7.18%	7.25%

Employee stock options details (ESOP 2018) as on the balance sheet date are as follows:

Particulars	During the year 2024-25		During the year 2023-24	
	Options (No's)	Weighted average exercise price per option (₹)	Options (No's)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year	2,93,800	621.22	1,43,600	399.81
Granted during the year	1,10,200	375.00	2,50,000	471.20
Exercised during the year	58,000	267.05	-	-
Lapsed/ cancelled during the year	1,33,400	295.73	99,800	477.34
Options outstanding at the end of the year	2,12,600	307.44	2,93,800	621.22
Options available for grant	1,36,178	-	1,12,978	-

Employee stock options details (ESOP 2024) as on the balance sheet date are as follows:

Particulars	During the year 2024-25		During the year 2023-24	
	Options (No's)	Weighted average exercise price per option (₹)	Options (No's)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year	-	-	-	-
Granted during the year	3,50,000	375.00	-	-
Exercised during the year	-	-	-	-
Lapsed/ cancelled during the year	-	-	-	-
Options outstanding at the end of the year	3,50,000	375.00	-	-
Options available for grant	6,10,000	-	-	-

NOTE NO. 46 FINANCIAL INSTRUMENTS

46.1 Categories of financial instruments

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Financial assets:		
Measured at amortised cost		
(a) Cash and bank balances	4.11	8.60
(b) Investments	1.70	1.70
(c) Trade receivables	326.57	348.52
(d) Loans receivable	0.02	0.34
(e) Other financial assets at amortised cost	28.68	22.77
Financial liabilities:		
Measured at amortised cost		
(a) Borrowings including current maturities of non current borrowings	776.06	999.38
(b) Lease liabilities	20.02	12.12
(c) Trade payables	248.62	313.01
(d) Other financial liabilities	18.31	13.94

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

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

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

Particulars	As at March 31, 2025		As at March 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities:				
Borrowings	776.06	777.61	999.38	1,002.05

Financial risk management objectives

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

46.3 Foreign currency risk management

The Group is exposed to foreign exchange risk due to:

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

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

Amount receivable/(payable)	As at March 31, 2025		As at March 31, 2024	
Exposure to the Currency	in foreign Currency	in ₹	in foreign Currency	in ₹
USD	(0.33)	(28.83)	0.38	31.52
GBP	-	-	(0.00)	(0.52)
EUR	0.03	3.05	(0.07)	(4.57)
JPY	6.79	3.85	3.95	2.18
CHF	-	-	0.00	(0.08)

Foreign currency sensitivity analysis

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

₹ in Crores

Exposure to the Currency	Increase / (Decrease) in Equity / Profit	
	March 31, 2025	March 31, 2024
Appreciation in the USD	(1.44)	1.58
Depreciation in the USD	1.44	(1.58)
Appreciation in the EUR	0.15	(0.23)
Depreciation in the EUR	(0.15)	0.23

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

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

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

46.4 Interest rate risk management

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

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

₹ in Crores

Particulars	As at March 31, 2025	As at March 31, 2024
Fixed-rate instruments		
Financial assets		
Balance with banks held in deposit account	0.79	5.35
Financial liabilities		
Lease liabilities	20.02	12.12
	20.81	**17.47**
Variable-rate instruments		
Financial liabilities		
Borrowings from bank	776.06	999.38
	776.06	**999.38**

Interest rate sensitivity analysis

Financial instruments affected by interest rate changes include secured long term loans from banks and secured short term loans from banks. The impact of a 1% change in interest rates on the profit of an annual period will be ₹7.76 Crores (March 31, 2024: ₹9.99 Crores) assuming the loans at each year end remain constant during the respective years. This computation does not involve a revaluation of the fair value of loans as a consequence of changes in interest rates. The computation also assumes that an increase in interest rates on floating rate liabilities will not necessarily involve an increase in interest rates on floating rate financial assets.

46.5 Credit risk management

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

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

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

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

46.6 Liquidity risk management

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

46.6.1 Liquidity analysis for Non-Derivative Liabilities

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

₹ in Crores

Financial Liabilities	Due within (years)						Total	Carrying Amount
	1	1 to 2	2 to 3	3 to 4	4 to 5	beyond 5		
Bank & other borrowings								
- As on March 31, 2025	662.74	53.32	27.58	16.77	17.20	-	777.61	776.06
- As on March 31, 2024	895.69	53.78	40.01	12.57	-	-	1,002.05	999.38
Interest payable on borrowings								
- As on March 31, 2025	5.09	-	-	-	-	-	5.09	5.09
- As on March 31, 2024	3.38	-	-	-	-	-	3.38	3.38
Lease liabilities								
- As on March 31, 2025	2.99	3.32	3.31	3.48	1.57	47.95	62.62	20.02
- As on March 31, 2024	0.92	0.96	1.01	1.06	1.11	49.15	54.21	12.12
Trade and other payable								
- As on March 31, 2025	261.84	-	-	-	-	-	261.84	261.84
- As on March 31, 2024	323.57	-	-	-	-	-	323.57	323.57

NOTE NO. 47 CAPITAL MANAGEMENT

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

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

47.1 Gearing ratio

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

₹ in Crores

Particulars	March 31, 2025	March 31, 2024
Debt (i)	796.08	1,011.50
Less:		
Cash and bank balances	4.11	8.60
Net Debt (A)	**791.97**	**1,002.90**
Total Equity (B)	**1,094.24**	**933.91**
Net debt to equity ratio (A/B)	**0.72**	**1.07**

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

NOTE NO. 48 ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013 FOR THE YEAR ENDED MARCH 31, 2025

Name of the entity	Net Assets i.e., total assets minus total liabilities		Share in profit		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹In Crores	As % of consolidated profit	₹In Crores	As % of consolidated other comprehensive income	₹In Crores	As % of consolidated total comprehensive income	₹In Crores
Solara Active Pharma Sciences Limited	99.97%	1,096.21	93.91%	(1.08)	109.28%	1.06	11.11%	(0.02)
Indian Subsidiaries:								
Chemsynth Laboratories Private Limited	0.40%	4.39	0.87%	(0.01)	0.00%	-	5.56%	(0.01)
Sequent Penems Private Limited**	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Foreign Subsidiary:								
Shasun USA Inc	-0.37%	(4.01)	5.22%	(0.06)	-9.28%	(0.09)	83.33%	(0.15)
Solara Active Pharma Sciences LTDA*	-	-	-	-	-	-	-	-
Total		**1,096.59**		**(1.15)**		**0.97**		**(0.18)**
Adjustment arising out of consolidation		(2.35)		1.69		0.01		1.70
Minority interest in subsidiaries:								
Chemsynth Laboratories Private Limited		2.67		-		-		-
Total		**1,096.91**		**0.54**		**0.98**		**1.52**

Note:

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

**Subsidiary company shares transferred on April 25, 2024, refer note 54.

NOTE NO. 49

The Parent, vide its letter of offer dated May 09, 2024 offered upto 1,19,98,755 Equity shares of face value of ₹10/- each at a price of ₹375 per Equity share (including Share premium of ₹365 per Equity share) for an amount aggregating ₹449.95 crores to the existing share holders of the Parent on right basis in the ratio of One Equity share for every three Equity shares held by the Equity shareholders on the record date i.e May 15, 2024. Rights issue has been done in accordance with Section 62(1)(a) of the Companies Act and other applicable laws. The Parent has allotted 1,19,98,755 Nos. of partly paid up equity shares on June 19, 2024. Out of net proceeds from allotment, ₹118.61 crores is used against repayment of borrowings, ₹35.87 crores towards general corporate purposes in line with terms of utilization mentioned in letter of offer. Pursuant to the Rights issue, earnings per share (EPS) in repect of previous year have been adjusted as per Indian Accounting Standard 33 "Earnings per share", prescribed under Section 133 of the Companies Act, 2013.

NOTE NO. 50

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

NOTE NO. 51 OTHER STATUTORY INFORMATION

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

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

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

Notes

to the consolidated financial statements for the year ended March 31, 2025

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

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

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

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

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

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

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

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

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

NOTE NO. 52

With effect from 1 April 2023, the Ministry of Corporate Affairs (MCA) has made it mandatory for companies to maintain an audit trail throughout the year for transactions impacting books of accounts.

The Parent and its subsidiary, uses accounting software for maintaining the books of account which has a feature of recording audit trail and has defined process to enable audit trail of books of accounts and has enabled the feature of recording audit trail (edit log) facility except that in respect of accounting software used by the Parent, audit trail feature was not enabled for certain critical tables for the period April 1, 2024 to March 31, 2025. The Management is of the view that this does not have any impact on its Consolidated Financial Statements for the year ended March 31, 2025.

The audit trail that was enabled and operated for the year ended March 31, 2024, has been preserved by the Group as per the statutory requirements for record retention.

NOTE NO. 53

There was a fire accident at the Parent's Puducherry facility on November 04, 2023 whereby 3 blocks out of the total 76 blocks were impacted by the fire. The resultant fire caused injuries to 14 workers and 12 workers were recovered and discharged while 2 succumbed to injuries despite maximum efforts put to recover them. The fire also caused damages to the plant and equipment amounting to ₹2.25 crores, inventories amounting to ₹51.35 crores, Goods and service tax reversal on inventory loss amounting to ₹7.52 crores and other expense such as medical expenses etc. amounting ₹1.38 crores.The losses arising on account of the fire incident have been accounted under exceptional item during the previous year ended March 31, 2024. There was disruption in the production at the Puducherry facility for a brief period and production was resumed after receiving the statutory approvals post the fire incident.The Parent has submitted the initial insurance claims which are subject to assessment by the Insurers, pending which, the claim has not been recognised in these consolidated financial statements. The insurance claim will be accrued once there is certainty of the amount expected to be reimbursed by the Insurers.

NOTE NO. 54

The Board of the Parent had approved the transfer of 100% shareholding in Sequent Penems Private Limited, a wholly owned subsidiary, through a circular resolution dated March 22, 2024. The share purchase agreement was executed on March 28, 2024. The group has classified all assets and liabilities of this subsidiary as held for sale in accordance with IND AS 105: Non-current Assets Held for Sale and Discontinued Operations and has accounted for impairment of ₹2.33 crores during the previous year ended March 31, 2024. The shares were transferred on April 25, 2024.

Due to the above sale, certain assets of the Parent were no longer usable. Hence, the Parent had written off these assets, amounting to ₹2.53 crores and disclosed under exceptional items during the previous year ended March 31, 2024.

NOTE NO. 55

The Board of Directors of the Parent at its meeting held on January 24, 2025 had discussed a proposal to explore 'demerger of the CRAMS and Polymers business into an independent listed entity' and granted in-principle approval for the same.

NOTE NO. 56

According to the management's evaluation of events subsequent to the balance sheet date there were no significant adjusting events that occurred other than those disclosed/given effect to, in these financial statements as of March 31, 2025.

NOTE NO. 57

On May 07, 2025, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2025. This notification has resulted into amendments in the "Indian Accounting Standard (Ind AS) 21 - The Effects of Changes in Foreign Exchange Rates" which are applicable to the Company from April 01, 2025.The Group is in the process of evaluating the impact of the this amendments on the Group's financial statements.

NOTE NO. 58

All the amounts included in the consolidated financial statements are rounded off to the neareast crores, except per share data and unless stated otherwise. Further, due to rounding off, certain amounts are appearing as '0'.

For and on behalf of Board of Directors

Sandeep Rao	**M Mohan**	**Sarat Kumar**	**Pooja Jaya Kumar**
Managing Director & Chief Executive Officer	Executive Director	Chief Financial Officer	Company Secretary
DIN: 10838251	DIN: 03610282		Membership Number: A57415

Place : Bengaluru
Date : May 15, 2025

NOTICE

NOTICE is hereby given that the Eighth Annual General Meeting of the Members of the Company will be held on Thursday, September 25, 2025, at 10.30 a.m. through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business.

ORDINARY BUSINESS

Item 1: Adoption of Audited Financial Statements for the financial year ended March 31, 2025.

To receive, consider and adopt:

a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2025, together with the Reports of Board of Directors and Auditors thereon.

b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2025, and the Report of Auditors thereon.

Item 2: Appointment of Mr. Mohan Muthunarayanan, retiring director, as an Executive Director

To appoint Mr. Mohan Muthunarayanan (DIN: 03610282), who retires by rotation and being eligible offers himself for re-appointment as an Executive Director in the capacity of Whole Time Director of the Company.

Item 3: Appointment of Mr. Manish Gupta, retiring director, as a Non-Executive Director

To appoint Mr. Manish Gupta (DIN: 06805265) who retires by rotation and being eligible offers himself for re-appointment as a Non-Executive Director of the Company.

SPECIAL BUSINESS

Item 4: Ratification of remuneration payable to the Cost Auditor for the financial year 2025-26.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

"**RESOLVED** that the remuneration of ₹4,75,000/- (Rupees Four Lakh Seventy- Five Thousands only) plus reimbursement of out-of-pocket expenses, payable to Mr. K. Suryanarayanan, Practising Cost Accountant, (Membership No. 24946) who was appointed as Cost Auditor of the Company for the financial year ending 31st March, 2026, as recommended by the Audit Committee and approved by the Board of Directors of the Company, pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, as amended from time to time, be and is hereby ratified and confirmed.

RESOLVED FURTHER that any Director or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and to execute and deliver all such necessary documents for the purpose of giving effect to the aforesaid resolution."

Item 5: Approval for Material Related Party Transactions/ Contracts/ Arrangements with Strides Pharma Science Limited up to ₹ 400 crores.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

"**RESOLVED** that pursuant to the applicable provisions of the Companies Act, 2013 ("the Act") read with the rules framed thereunder (including any statutory amendment(s) or re-enactment(s) thereof, for the time being in force, if any), and in terms of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "SEBI Listing Regulations") including any amendments, modification(s) or re-enactment thereof for the time being in force, approval of the Members of the Company be and is hereby accorded to the Audit Committee / Board of Directors of the Company to enter into contracts, arrangements, sales and other transactions with Strides Pharma Science Limited ("Strides"), on such terms and conditions as may be mutually agreed upon between the Company and Strides for an amount up to ₹ 400 crores (Rupees Four Hundred Crores) from the date of this Annual General Meeting ("AGM") up to the date of next AGM, for the purposes as set out in the explanatory statement annexed hereto.

RESOLVED FURTHER that the Board of Directors of the Company or any other person(s) authorised by them, be and are hereby authorised to execute, deliver and perform such agreements, contracts, deeds and other documents and deal with any matters, take necessary steps in the matter as they may in their absolute discretion deem necessary or expedient and to do or cause to be done all such acts, deeds and things, settle any queries, difficulties, doubts that may arise with regard to any transaction(s) with Strides, and make such changes to the terms and conditions as may be considered necessary, expedient or desirable and execute such addendum agreements, documents and writings and to make such filings as may be necessary or desirable, in order to give effect to this resolution, in the best interest of the Company.

RESOLVED FURTHER that the Board of Directors or the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary to implement this resolution."

Item 6: Approval for appointment of Secretarial Auditor.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

"**RESOLVED THAT** pursuant to the provisions of Regulation 24A & other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") read with Circulars issued thereunder from time to time and Section 204 and other applicable provisions of the Companies Act, 2013, if any read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("the Act"), as amended, and based on the recommendation of the Audit Committee and the approval of the Board of Directors of the Company, consent of the shareholder of the company be and is hereby accorded for appointment of Ms. Parimala Natarajan, Practising Company Secretaries (CoP No. 5239) Secretarial Auditors of the Company for a period of 5 consecutive years, from April 1, 2025 to March 31, 2030 ('the Term'), on such terms & conditions, including remuneration as may be determined by the Board of Directors (hereinafter referred to as the 'Board' which expression shall include any Committee thereof or person(s) authorized by the Board.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution and for matters connected therewith or incidental thereto."

By Order of the Board
For **Solara Active Pharma Sciences Limited**

Pooja Jayakumar
Company Secretary & Compliance Officer
Membership No.: A57415

Place: Bengaluru
Date: August 29, 2025

Registered Office:
9th Floor, 'Cyber One', Unit No. 902, Plot No. 4 & 6,
Sector 30A, Vashi, Navi Mumbai - 400 703
Tel: +91-22-2789 2924
Corporate Office: TICEL BIO PARK., 6th floor
Module No. 601, 602, 603, Phase II – CSIR Road,
Taramani, Chennai, Tamil Nadu – 600113.
Tel: +91 44 4344 6700
Fax: +91 44 47406190
E-mail: investors@solara.co.in
Website: www.solara.co.in
CIN: L24230MH2017PLC291636

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 under item nos. 4 to 6 set out above and additional information, pursuant to Regulation 36 of the LODR Regulations and Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI"), forms part of this Notice.

2. Relevant details of directors being re-appointed pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India is enclosed as Annexure 1 to this Notice.

3. In compliance with the circulars, the AGM of the Company is being held through VC/OAVM.

4. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to MCA Circulars through VC / OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.

5. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.

6. Corporate members intending to send their authorized representatives to attend the AGM through VC / OAVM are requested to send a certified copy of the Board Resolution to the Scrutinizer by mail from its registered email address.

7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act and the Certificate from the Secretarial Auditor relating to the Company's Stock Options under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e., Thursday, September 25, 2025. Members seeking to inspect such documents can send an email to investors@solara.co.in.

8. Deemed venue for the AGM shall be Registered Office of the Company.

9. Members whose shareholding is in demat mode are requested to notify any change in address or bank account details to their respective depository participant(s) (DP). Members holding shares in physical form are requested to notify / send the following at the earliest:

   - Any change in their address/ mandate/ bank details;

   - Particulars of their bank account, in case the same have not been sent earlier, to the Company's Registrar and Transfer Agent at Cameo Corporate Services Limited, Address: Subramanian Building, #1, Club House Road, Chennai 600 002 – India Ph: 91-44 - 2846 0390, Fax: 91-44 - 2846 0129, email id- Investor@cameoindia.com, Online Investor Portal: wisdom.cameoindia.com

10. All documents that have been referred to in the accompanying notice and Explanatory Statement are open for inspection at the registered office of the Company from 10.00 a.m. to 12.00 noon on working days up to the date of the Annual General Meeting.

11. Members are requested to apply for consolidation of folios, in case their holdings are maintained in multiple folios.

12. SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655, dated 03.11.2021 and SEBI/HO/MIRSD/ MIRSD_RTAMB/P/CIR/2021/687 dated 14.12.2021, has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the RTA by e-mail to Investor@cameoindia.com. In case of Members holding shares in physical form, you are advised to convert shareholding into demat form by approaching depository participant.

13. In compliance with the aforesaid MCA Circulars and Listing Regulations, Notice of the AGM, instructions for e-voting, along with the Annual Report 2024-25 is being sent only through electronic mode to those members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report will also be available on the Company's website www.solara.co.in , websites of the Stock Exchanges i.e. BSE Ltd. and National Stock Exchange of India Ltd. at www.bseindia.com and www.nseindia.com and on the website of CDSL.

Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses to receive all communications including Annual Report, Notices, Circular, etc. from the Company in electronic mode. Members holding shares in demat mode, who have not registered their email addresses, are requested to register their email addresses with their respective DP, and members holding shares in physical mode are requested to update their email addresses with the Company's RTA, CAMEO Corporate Services Limited at Investor@cameoindia.com, to receive copies of the Annual Report 2024-25 in electronic mode. A letter containing the weblink for accessing the Notice of the AGM and the Annual Report will be dispatched to the shareholders who have not registered their email IDs.

Members who require communication in physical form in addition to e-communication or have any other queries may write to us at investors@solara.co.in

In compliance with Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company has provided the facility to the members to exercise their vote electronically. Instructions for e-voting are annexed to the Notice.

14. This Notice is emailed to Members, whose names appear in the Register of Members/ list of Beneficial Owners as on Friday, August 22, 2025.

    Members holding shares either in physical or dematerialized mode, as on the cut-off date, (i.e.) Thursday, September 18, 2025, may cast their votes electronically. The e-voting period will commence at 9.00 a.m. (IST) on Saturday, September 20, 2025, and will end at 5.00 p.m. (IST) on Wednesday, September 24, 2025.

    The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. Thursday, September 18, 2025. Members are eligible to cast vote electronically only if they are holding shares as on that date. Members who have acquired shares after the dispatch of the Annual Report and before the cut-off date may approach the Registrar for issuance of the User ID and Password for exercising their right to vote by electronic means. A person who is not a member as on the cut-off date is requested to treat this Notice for information purposes only.

15. In terms of Sections 108 and other applicable provisions of the Act, as amended, read together with the Rules and MCA & SEBI Circulars and in compliance with Regulation 44 of the Listing Regulations as amended from time to time and the Circulars issued by the Securities and Exchange Board of India from time to time, the Company is pleased to offer remote e-voting facility to all the Members of the Company holding shares as on Cut-off date. The Company has appointed CDSL to facilitate remote e-voting to enable the Members to cast their votes electronically.

16. The Board has appointed Mr. Preetham Hebbar (CoP No. 21431) of M/s. Preetham Hebbar & Co., Practicing Company Secretaries, as the Scrutinizer to scrutinize the e-voting process and voting done through physical ballot paper at the AGM in a fair and transparent manner.

    The Scrutinizer shall submit a consolidated Scrutinizer's report of the total votes cast in Favor or Against, not later than two working days after the conclusion of AGM to the Chairman of the Company. The Chairman or any other person authorized by him, shall declare the results of voting forthwith.

17. The result along with the Scrutinizer's report will be placed on the Company's website and on the website of CDSL after the result is declared by the Chairman/ any other person authorized by him, and the same shall be communicated to the stock exchanges where the shares of the Company are listed.

18. Members wishing to claim dividends that remain unclaimed are requested to correspond with the RTA as mentioned above, or with the Company Secretary, at the Company's registered office or at investors@solara.co.in . Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years shall be transferred to the IEPF as per Section 124 of the Act, read with applicable IEPF rules.

19. Effective April 1, 2024, SEBI has mandated that the shareholders, who hold shares in physical mode and whose folios are not updated with any of the KYC details [viz., (i) PAN (ii) Choice of Nomination (iii) Contact Details (iv) Mobile Number (v) Bank Account Details and (vi) Signature], shall be eligible to get dividend only in electronic mode. Shareholders are requested to complete their KYC by writing to the Company's RTA. The forms for updating the same are available at Companies Website at https://solara.co.in/investor-relations/share-holder-communication/ and RTA's Website at https://cambridge.cameoindia.com/Module/Downloadable_Formats.aspx.

List of forms for easy reference of shareholders, who hold shares in physical mode.

Particulars	Forms
Form for availing investor services to register PAN, email address, bank details and other KYC details or changes/ update thereof for securities held in physical mode	Form ISR – 1
Update of signature of securities holder- Confirmation of Signature of securities holder by the Banker	Form ISR – 2
Declaration to opt out Nomination	Form ISR-3
Form for requesting issue of Duplicate Certificate for shares held in physical form	Form ISR-4
Request for transmission of Securities by Nominee or Legal Heir	Form ISR-5

20. As per Section 72 of the Act, members holding shares in physical mode may submit their nomination by submitting SH-13 which can be downloaded from the Company's website at https://solara.co.in/investor-relations/share-holder-communication/. Members holding shares in demat mode may contact their respective DPs to update the nomination.

    List of forms for easy reference of shareholders, who hold shares in physical mode.

Particulars	Forms
Nomination form	Form SH-13
Cancellation of nomination by the holder(s) (along with ISR-3)/ Change of Nominee	Form SH-14

21. Members may please note that SEBI vide its Circular No. SEB/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificate/ folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR -4, the format of which is available on the Company's website. Members holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/electronic form to get inherent benefits of dematerialization and also considering that physical transfer of equity shares/ issuance of equity shares in physical form have been disallowed by SEBI.

22. Speaker Registration: Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance on or before September 17, 2025 mentioning their name, demat account number/folio number, email id, mobile number at ("Investors@solara.co.in"). The shareholders who do not wish to speak during the AGM but have queries may also send their queries on or before September 17, 2025 mentioning their name, demat account number/folio number, email id, mobile number at ("Investors@solara.co.in"). These queries will be replied to by the company suitably by email. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

23. Special window for Re-Lodgement of transfer requests of physical shares

Pursuant to SEBI Circular dated July 2,2025, members who had lodged their transfer deeds of physical shares prior to April 1, 2019 which were rejected/returned/not attended due to deficiency in the documents/process or otherwise are granted one more opportunity for re-lodgement of transfer requests till January 6, 2026.

All securities re-lodged for transfer, including those requests already pending with the Company or its Registrar and Transfer Agent (RTA), will be processed only in dematerialized (demat) form. Such transfer-cum-demat requests shall be carried out in line with the process prescribed under the applicable regulations. Shareholders are requested to avail this facility and may contact the Company/RTA for any assistance required.

24. The instructions of shareholders for remote e-voting and e-voting during AGM and joining meeting through VC/OAVM are as under:

CDSL E-VOTING SYSTEM – FOR E-VOTING AND JOINING VIRTUAL MEETINGS.

1. As you are aware that the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide General Circular No. 14/2020 dated April 8, 2020, General Circular No.17/2020 dated April 13, 2020 read with other relevant circulars, including General Circular No. 09/2024 dated September 19, 2024, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024 ("SEBI Circulars"). The forthcoming AGM will thus be held through video conferencing (VC) or other audio-visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1 : Access through Depositories CDSL/ NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(i) The voting period begins at 9.00 a.m. (IST) on Saturday, September 20, 2025 and ends at 5.00 p.m. (IST) on Wednesday, September 24, 2025. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Thursday, September 18, 2025 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/ NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL Depository**	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsl website www.cdslindia.com and click on login icon & My Easi New (Token) Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & My Easi New (Token) Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with **NSDL Depository**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4) For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants (DP)**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

1) The shareholders should log on to the e-voting website www.evotingindia.com.

2) Click on "Shareholders" module.

3) Now enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; Investors@solara.co.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/ EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance **on or before September 17, 2025** mentioning their name, demat account number/folio number, email id, mobile number at (Investors@solara.co.in). The shareholders who do not wish to speak during the AGM but have queries may also send their queries **on or before September 17, 2025** by mentioning their name, demat account number/folio number, email id, mobile number at (Investors@solara.co.in). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investors@solara.co.in, , nagaraj@cameoindia.com, Investor@cameoindia.com.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective **Depository Participant (DP)**
3. **For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

   If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911

   All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 21 09911.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Pursuant to Section 102 of the Companies Act, 2013 (Act), Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the applicable Secretarial Standards, the following explanatory statement sets out all the material facts relating to the business mentioned under Item No. 4 to 6 of this Notice:

Item 4: Ratification of the remuneration payable to the Cost Auditor for the financial year 2025-26.

In terms of the provisions of Section 148 of the Act and the Rules made thereunder, the Company is required to maintain Cost Audit records in relation to Company's products categorized under Drugs and pharmaceuticals and Organic and Inorganic Chemicals, and to have the same audited by a Cost Auditor. The Board, after considering the recommendation of the Audit Committee, have appointed Mr. K. Suryanarayanan, Cost Accountant, bearing Membership No. 24946 as the Cost Auditor of the Company for the financial year ending March 31, 2026 on a remuneration of ₹4,75,000/- (Rupees Four Lakhs Seventy-Five Thousands only) plus out of pocket expenses.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014, the aforesaid remuneration approved by the Board of Directors is required to be ratified by the Shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution.

The Board recommends passing the proposed resolution stated in Item 4 as an Ordinary Resolution and requests your approval for the same.

Item 5: Approval for Material Related Party Transactions/ Contracts/ Arrangements with Strides Pharma Science Limited ("Strides") up to ₹ 400 crores.

As per the provisions of Section 188 of the Companies Act, 2013 ("Act"), transactions with related parties which are on an arm's length basis and in the ordinary course of business, are exempted from the obligation of obtaining prior approval of shareholders. However, as per the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), such transactions, if material, requires the approval of shareholders through a resolution, notwithstanding the fact that the same are on an arm's length basis and in the ordinary course of business. Further, all Material Related Party Transactions require prior approval of the Members through a Resolution, and no related party shall vote to approve such Resolution whether an entity is a related party to the particular transaction or not. The Shareholders of the Company had approved the Related Party Transactions between the Company and Strides at the Seventh Annual General Meeting held on September 20, 2024, for an amount not exceeding ₹400 crores from Seventh AGM to Eighth AGM.

Further in terms of Regulation 23 (1) of SEBI Listing Regulations, a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ₹1,000 Crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

Based on the current applicable threshold for determining the Material Related Party Transactions that require prior approval of the Shareholders and to facilitate seamless contracting and rendering/availing of product and services between the Company and "related parties", the Company seeks the approval of the Shareholders to approve entering into contracts/ arrangements within the thresholds and conditions mentioned in the resolution. All the contracts/ arrangements and the transactions with "related parties" are reviewed and approved by the Audit Committee and the Board of Directors of the Company.

The relevant information pertaining to transactions with Strides in terms of SEBI Circular No. SEBI/ HO/ CFD/ CMD1/ CIR/ P/ 2021/ 662 dated November 22, 2021, is given below

#	Description	Details
1	Name of the Related Party	Strides Pharma Science Limited (Strides)
2	Name of the Promoter, Director or Key Managerial Personnel who is related, if any	a) Mr. Arun Kumar, Promoter & Non- Executive Director of the Company is a Promoter and Non- Executive Chairman of Strides. b) Dr. Kausalya Santhanam, Independent Director of the Company is also an Independent Director of Strides
3	Nature of Relationship	Mr. Arun Kumar is common Promoter and Non-Executive Director in Solara and Strides Pharma Science Limited.
4	Material terms of the transaction / contracts / arrangements	Sale of API products, Company also has other transactions with Strides such as rendering / receiving of services, reimbursement of expenses and leasing of properties as per prevailing market prices. All transactions with Strides are in the ordinary course of business and at arm's length and are approved by the Audit Committee and Board of Directors of the Company, as applicable.

#	Description	Details
5	Monetary Value	Not exceeding ₹400 Crores per year
6	Percentage of the annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	Consolidated Annual Turnover of the Company for FY 2025 is ₹ 1,292.08 Cr. Approximate value of the proposed transaction as a percentage of the annual consolidated turnover is 30.96%
7	Tenure	From this Annual General Meeting till the next Annual General Meeting held within a period of fifteen months
8	Whether transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary If yes, 1) details of the source of funds in connection with the proposed transaction 2) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments 3) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and 4) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	Not applicable
9	Justification as to why the RPT is in the interest of the Company	In March 2018, the Company through a Composite Scheme of Arrangement sanctioned by the Hon'ble National Company Law Tribunal, Mumbai Bench, demerged its API business from Strides. Consequently, the API manufacturing facilities, which earlier were owned by Strides were transferred to the Company. The Company has entered into specific arrangements with Strides to supply long term API products. In addition to significant API sales to Strides, the Company also has other transactions with Strides such as rendering / receiving services, reimbursement of expenses, leasing of property amongst others.
10	A copy of the valuation or other external party report, if any such report has been relied upon.	All transactions with Strides are in the ordinary course of business and at arm's length. Accordingly, the requirement of valuation report is not applicable.
11	Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis.	The Related Party Transaction not exceeding ₹ 400 Crores represents 8.76% of Strides Pharma Science Limited's consolidated turnover of ₹ 4565.34 Crores for FY 25.

The Audit Committee and the Board of Directors at their respective meetings held on May 15, 2025, approved the aforementioned related party transaction.

Except Mr. Arun Kumar Pillai, Promoter and Non - executive Director of the Company and also Promoter and Non-Executive Chairman of Strides; Dr. Kausalya Santhanam, who is an Independent director of Strides and Solara, and common promoters of Strides and Solara, none of the other Promoters/ Directors/ Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution except to the extent of their shareholding as Members, if any.

The Board recommends the resolution as set out in Item 5 of the notice for approval of Members as an Ordinary Resolution.

Item 6: Approval of appointment of Secretarial Auditor.

This Explanatory Statement is provided in accordance with Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In accordance with the provision of Regulation 24A & other applicable provisions of the SEBI Listing Regulations read with Circulars issued thereunder from time to time and Section 204 and other applicable provisions of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) ("the Act"), every listed company and certain other prescribed categories of companies are required to annex a Secretarial Audit Report, issued by a Practicing Company Secretary, to their Board's report, prepared under Section 134(3) of the Act.

Additionally, a Listed Entity must appoint a Peer reviewed Secretarial Audit firm for a maximum of two terms of five consecutive years, with shareholder approval to be obtained at the Annual General Meeting. Accordingly, based on the recommendation of the Audit Committee, the Board of Directors has approved the appointment of Ms. Parimala Natarajan, Company Secretary (CoP No. 5239), as the Secretarial Auditors of the Company for a period of five years, commencing from April 1, 2025, to March 31, 2030. The appointment is subject to shareholders' approval at the Annual General Meeting.

Ms. Parimala Natarajan was found to be well-equipped to manage the scale, diversity, and complexity associated with the Secretarial Audit of the Company. She is a peer reviewed and a well-established firm of Practicing Company Secretary, registered with the Institute of Company Secretaries of India. Ms. Parimala Natarajan has provided her consent to act as the Secretarial Auditors of the Company and has confirmed that the proposed appointment, if made, will be in compliance with the provisions of the Act and the SEBI Listing Regulations and within the limit as specified by the Institute of Company Secretaries of India. Accordingly, the consent of the shareholders is sought for the appointment of Ms. Parimala Natarajan as the Secretarial Auditors of the Company.

Brief Profile/Credentials:

Ms. Parimala Natarajan is a peer reviewed firm of Practicing Company Secretary and has experience over 15+ years. Ms. Parimala Natarajan is specialized in providing services in Company Law, Secretarial Audit etc. along with other specializations.

She is a qualified Company Secretary in practice since 2001, peer-reviewed by the Institute of Company Secretaries of India (ICSI) as required for professionals associated with listed companies. She has extensive experience in handling a wide range of Secretarial and Corporate Legal matters under the Companies Act, 1956 and 2013, including incorporation of Companies and ensuring full compliance with statutory requirements. Her practice is deeply focused on Listed Company compliances, particularly under SEBI (LODR) Regulations, 2015, providing services such as Secretarial Audit Reports, Certificates for quarterly / Annual filings with stock exchanges. She has acted as Scrutinizer for General Meetings and Postal Ballots of listed companies and advised on Employee Stock Option Plans (ESOPs) along with coordinating listing approvals from stock exchanges.

While recommending Ms. Parimala Natarajan for appointment, the Board and the Audit Committee evaluated various factors, including her ability to handle a diverse and complex business environment, its existing experience in the Company's business segments, its industry standing, and its technical expertise. Ms. Parimala Natarajan was found to be well-equipped to manage the scale, diversity, and complexity associated with the Secretarial Audit of the Company. Ms. Parimala Natarajan has given her consent to act as the Secretarial Auditors, confirmed that she hold a valid peer review certificate issued by ICSI and that they are not disqualified from being appointed as Secretarial Auditors.

The terms and conditions for appointment of Ms. Parimala Natarajan are as follows:

(i) Tenure - 05 consecutive years, to conduct the Secretarial Audit of five consecutive financial years commencing from April 01, 2025, until March 31, 2030;

(ii) Remuneration - for the Secretarial Audit for the financial year 2025-26 is set at ₹ 2,50,000/- (Rupees Two Lakh Fifty Thousand only), plus applicable taxes and other out-of-pocket costs incurred in connection with the audit.

The proposed fees are determined based on the scope of work, team size, industry experience, and the time and expertise required to conduct the audit effectively. There is no material change in the fee payable to current auditor being proposed for appointment from that paid to the previous auditor.

Additional fees for statutory certifications and other professional services will be determined separately by the management, in consultation with the Secretarial Auditor, and will be subject to approval by the Board of Directors and/or the Audit Committee. The remuneration for the subsequent financial years will also be approved by the Board and/or the Audit Committee.

The Board of Directors recommends the resolution for approval by the Members, as set out at Item No. 6 of the Notice.

None of the Directors, Key Managerial Personnel (KMP), or their relatives have any financial or other interest in the proposed resolution.

By Order of the Board of Directors
For **Solara Active Pharma Sciences Limited**

Pooja Jayakumar
Company Secretary & Compliance Officer
Membership No.: A57415

Place: Bengaluru
Date: August 29, 2025

ANNEXURE 1

DETAILS OF DIRECTORS SEEKING APPOINTMENT

[Pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standard 2 on General Meetings]

Name of Director	Mr. Mohan Muthunarayanan	Mr. Manish Gupta
DIN:	03610282	06805265
Age	53 years	58 years
Nationality	Indian	Indian
Date of first appointment to the Board	February 14, 2024	July 22, 2024
Brief Resume Qualifications Experience/Expertise in specific functional area	Mohan is a Chemical Engineering Graduate from Annamalai University. In 20+ years of professional career he has held various leadership roles in Operations, heading the API & Formulations for Shasun and Solara. He has also provided entrepreneur consulting to pharmaceutical companies in designing & implementing large projects on setting up manufacturing plants. Mohan has rejoined Solara in 2019 as Cluster Head for 2 Pondy & Vizag sites and has led operations through transformative growth. Mohan is currently working as Executive Director & COO of the Company.	Mr. Manish Gupta is currently the Managing Director of Jagsonpal Pharmaceuticals Limited, a Listed Pharmaceutical Company with a strong presence in India as well as an Operating Partner in Convergent Finance, an India focused PF fund. Mr. Manish holds a Master's degree in Management Studies (Finance) and a Bachelor's degree in Mechanical Engineering. He has over 30 years of corporate experience with over half of them in leading and managing businesses across the globe. His previous stint was with Sequent Scientific as the CEO and Managing Director for 8+ years. Previously, he has been the CEO -Pharma Business for Strides Pharma Science for 4 years. Earlier, he was associated with Wockhardt for 12 years in various capacities, his last role being the Managing Director of Pinewood Healthcare, Ireland and CEO of Radiant Research, a CRO in USA. Manish led SeQuent since 2014 and played a significant role in transforming the Company into India's largest and amongst Top 20' global animal health Companies with operations in India, Turkey, Brazil and the EU. He undertook a series of structural moves including inorganic initiatives with emphasis on consolidating market presence, entering new markets and strengthening customer-centricity. The Company was acquired by The Carlyle Group, a leading global private equity investor in their first control transaction in India. Over years, he has been responsible for over 25+ M&A transactions across the globe with a collective Enterprise value in excess of $ 3bn.
No. of shares held in the Company, including shareholding as a beneficial owner	9,000 shares	Nil
List of Directorships held in other Companies including listed entities	Nil	Jagson Pal Pharmaceuticals Limited - Managing Director
Names of listed entities from which appointee has resigned in the past three years	Nil	Nil
No. of board meetings attended during the year (FY 24-25)	5	3
Chairman/ Member in the Committees of the Boards of companies in which he is Director	Nil	Jagson Pal Pharmaceuticals Limited Stakeholder Relationship Committee – Member Corporate Social Responsibility Committee – Member
Skills and capabilities required for the role of Independent Director and the manner in which the proposed person meets such requirements	N.A.	N.A.
Relationship between director inter-se and other Key Managerial Personnel of the company	None	None
Remuneration details (including sitting fees & Commission)	Remuneration shall be as per the Shareholders' approval of April 6, 2024, obtained by way of Postal Ballot.	Remuneration by way of fee for attending meetings of the Board or committees thereof as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings.
Last drawn remuneration in Solara (including sitting fees & Commission) (FY 24-25) (In Crores)	₹ 1.68 Crores	Sitting Fees- ₹ 0.03 Crores
Other terms and conditions of appointment	This is reappointment of the director, who is liable to retire by rotation, hence the terms and conditions are covered at the time of his initial appointment.	This is reappointment of the director, who is liable to retire by rotation, hence the terms and conditions are covered at the time of his initial appointment.

SOLARA
Active Pharma Sciences

Solara Active Pharma Sciences Limited
CIN: L24230MH2017PLC291636

Registered Office
9th Floor, 'Cyber One', Unit No. 902, Plot No. 4 & 6, Sector 30A, Vashi, Navi Mumbai - 400 703
Tel: +91-22-2789 2924
E-mail: investors@solara.co.in
Website: www.solara.co.in

Corporate Office
TICEL BIO PARK., 6th floor
Module No. 601, 602, 603,
Phase II – CSIR Road, Taramani,
Chennai, Tamil Nadu – 600113.
Tel: +91 44 4344 6700
Fax: +91 44 47406190

Concept, Content & Design
NEXT STEPS (engage@nextsteps.net.in)