Chemistry for **Better Living**

LAURUS Labs
Chemistry for Better Living

Integrated Annual Report 2023-24

Chemistry for **Better Living**

At Laurus Labs, we use chemistry not just as a science, but as a means to enhance and better the lives of individuals worldwide. We firmly believe that science has the inimitable potential to impact human health and the environment. This past year has been pivotal in actualising our belief.

We launched NexCAR19, India's pioneering CAR-T cell therapy for B-cell malignancies, advancing the frontiers of medical science. The increase in fermentation capacity at our Mysore facility has strengthened our biotech segment, ensuring robust support for the changing needs of the healthcare industry.

With a commitment to redefining the intersection of innovation, sustainability, and healthcare, we have initiated thoughtful expansions in our operational and strategic endeavours, with resources directed toward areas that hold transformative potential for healthcare. As we move forward, 'Chemistry for Better Living' remains our guiding principle, steering our efforts to meet the scientific challenges of today while anticipating and shaping the solutions of tomorrow.

Contents

LAURUS LABS LIMITED

Established in 2005, we are a leading research-driven integrated pharmaceutical company. Our operations span four key segments: Contract Development and Manufacturing (CDMO) – which includes clinical and commercial supply of human health and animal health APIs and intermediates, crop science ingredients and specialty ingredients for dietary and cosmetic industries, Generics Finished Dosage Form (FDF), Generics Active Pharmaceutical Ingredients (APIs), and Biotechnology.

Statistical Reports

FY24 highlights

Financial highlights

₹5,041 cr
Revenue from operations

₹798 cr
EBITDA

₹161 cr
Profit after tax

19%
Dividend payout ratio

Operational highlights

Partnerships with
6
out of the top 10 innovators

223
Patents granted

4.8%
R&D spends to revenue

7,762 KL
Reactor volume

ESG highlights

284,801 KL
Water recycled

3,469,230 GJ
Energy consumed

6,735
Employees

25+
Community programmes supported

About the **Report**

Our Integrated Annual Report for FY24 offers a comprehensive overview of our financial and non-financial progress, governance structures, key issues, risk management, opportunities, strategic direction, and future outlook. It details how our vision, purpose, strategy, and business model are interconnected to generate value for stakeholders in the short, medium, and long term.

Integrated thinking at Laurus Labs

Integrated thinking shapes our strategic direction, governance, and future opportunities, ensuring consistent value creation for all our stakeholders.

We are led by

- Our vision
- Our mission

Building on capitals

- F Financial capital
- M Manufactured capital
- I Intellectual capital
- H Human capital
- S Social and relationship capital
- N Natural capital

Enabled by strategy

- Innovate
- Excel
- Expand

Read more on **page 42**

Supported by our values

- Knowledge
- Innovation
- Excellence
- Care
- Integrity

Read more on **page 40**

Delivering consistent value for stakeholders

1. Employees
3. Communities
5. Customers
2. Suppliers
4. Environment
6. Investors

Read more on **page 46 - 71**

Scope of reporting

Reporting period

This Report is published for the period April 1, 2023, to March 31, 2024.

Reporting boundary

This Report covers ESG performance of six manufacturing plants and one R&D facility. The financial performance is presented on a consolidated level.

Report alignment

Our Integrated Annual Report FY24 adheres to the principles and guidelines set forth by the International Integrated Reporting Council's (IIRC) Framework. It has been prepared with reference to Global Reporting Initiative (GRI) Standards. By aligning with these reporting frameworks, we aim to provide our stakeholders with a comprehensive overview of our environment, social, and governance (ESG) KPIs, targets, and their impact. Through this Report, we strive to showcase the value we bring to the healthcare industry and our dedication to uplift society.

Board responsibility statement

The Board firmly believes that this Report is a fair representation of the Company's financial, non-financial, sustainability and operational performance and addresses all material topics relevant to the Company for FY24. The Board acknowledges that the contents of this Report have been prepared by the respective functions and businesses under the guidance of the senior management.

Assurance

The management has conducted a thorough examination of the information and statements provided in this Report to maintain their accuracy and reliability. This review process was undertaken to ensure that all the facts and qualitative information contained within this Report were presented in an unbiased and transparent manner.

Feedback and queries

We invite you to share your valuable insights, suggestions, and questions regarding our Report, which will help us enhance our future reporting endeavours. You can communicate your suggestions and queries to the email id esg@lauruslabs.com.

Who **we are**

Laurus Labs embarked on a mission to redefine the pharmaceutical industry, initially focusing on contract research and manufacturing services (CRAMS). Evolving rapidly, we carved a niche in the antiretroviral (ARV) domain, later maturing into a globally recognised active pharmaceutical ingredient (API) producer and further into an integrated pharmaceutical company, including biotechnology expertise.

We are committed to leveraging core capabilities in chemistry, formulation, and custom synthesis to drive quality and affordability in the pharmaceutical industry. Today, we are a research-driven manufacturing company servicing pharmaceutical, animal health, cosmetic and dietary supplements, and crop science customers.

Our Vision

To be a leading player in offering integrated solutions for global pharmaceutical needs in creating a healthier world

Our Mission

We constantly strive for innovation to enhance quality and to provide affordable, integrated pharmaceutical solutions to facilitate wellness and well-being across the globe

Values

At Laurus Labs, the five-spoke wheel enabling the journey of the Company consists of these values.

Knowledge
Seek to learn constantly to stand out from the crowd

Excellence
Scale new peaks in everything we do

Innovation
Strike out on new paths to go farther

Care
Be diligent, safe, and sensible

Integrity
Stand up always for what is right

12
Manufacturing sites

10 bn
Tablets and capsules

5
State-of-the-art R&D labs in India

300+
Customers worldwide

Business segments

CDMO synthesis

Our custom synthesis division - Laurus Synthesis - provides drug development and manufacturing services to global pharma, crop science, animal health, specialty ingredients, and biotech firms, with facilities in Hyderabad and Visakhapatnam. Key markets include the US, EU, and Japan.

Offerings

- Commercial scale contract manufacturing
- Clinical phase supplies
- Analytical and research services

₹922 crores

Revenue

Generics API

With the largest HiPotent API capabilities in India, we are world's leading third-party API supplier for antiretrovirals. Our portfolio spans ARV, oncology, steroids, hormones and cardiovascular APIs, supplied to the top global generic pharmaceutical companies.

Offerings

Therapeutic areas include:

- ARV
- Hepatitis C
- Cardiovascular
- Anti-diabetic
- Anti-asthma
- Gastrointestinal
- Oncology
- Ophthalmic products

₹2,545 crores

Revenue

Who we are

Generics FDF

Our Generics FDF business focuses on oral solid formulations. Central to our innovation is the integrated API/FDF Development at a large scale.

Offerings

Therapeutic areas include:

- ARVs
- Anti-diabetic
- Cardiovascular
- Proton-Pump Inhibitors (PPIs)

₹1,414 crores
Revenue

Biotechnology

Laurus Bio offers comprehensive services from clone and strain engineering to large-scale production, supporting clients across the microbial precision fermentation spectrum. Our solutions serve sectors like regenerative medicine, vaccines, cultured meat, and more.

Offerings

- Nutraceuticals (natural ingredients)
- Dietary supplements
- Cosmeceutical products
- Alternate food proteins

₹160 crores
Revenue

Revenue contribution

- 18% CDMO synthesis
- 28% Generics FDF
- 51% Generics API
- 3% Biotechnology

In the spotlight – Laurus Bio

Our Bio division advances with strong momentum in precision fermentation and biocatalysis – a resilient portfolio that promises continuous growth and technological prowess in life sciences.

80+
Global customers benefitted with our animal-origin free (AOF) r-protein solution

45+
Global customers engaged for CDMO services

20+
Countries served

Where we operate

Collaborating with the world's top generic and innovator pharmaceutical companies, we leverage expansive growth avenues in manufacturing, services, and market development across North America, Europe, and LMICs. As a preferred CRAMs partner, we pride ourselves on our rigorous quality, EHS standards, flexibility in production scale, exemplary project management, and extensive experience in contract manufacturing.

80+

Countries where our products are distributed

61%

Revenue contribution from exports

Revenue share by region

North America	Europe	ROW
17%	27%	56%

What differentiates us

Our distinction in the pharmaceutical industry is driven by our uncompromising dedication to leadership, innovation, and sustainable practices. Our facilities, lauded for manufacturing excellence, uphold the highest standards of quality and are supported by a world-class manufacturing, quality and research and development team.

Leadership in APIs

We are recognised as the global leader in the supply of APIs for ARV, oncology, and hepatitis C, serving rapidly expanding markets in Latin America, South-east Asia, and Sub-Saharan Africa. Additionally, more than 1/5th of our workforce is dedicated to research and development. This positions us at the forefront of innovation within high-growth therapeutic areas, enabling us to achieve global leadership position in select APIs.

1,101

Research scientists working in R&D across functions

Manufacturing excellence

Our advanced facilities in Visakhapatnam, Bengaluru and Hyderabad, which are approved by global regulatory bodies, reflect our approach towards maintaining uniform, standardised quality across all operations. Moreover, our capability to scale production from grams to multi-tonnage, coupled with our leadership in cost and quality, enables us to retain major global clients. Our top 10 customers contribute to 45% of our total revenue.

12

Manufacturing facilities with combined 7,750m^3 + capacity in API, 10 bn units in drug product and 240 KL in fermentation

Strategic partnerships

Our business partners comprise top generic and innovator pharmaceutical companies around the world. These enduring relationships are proof of our reliable and effective service offerings. Additionally, we have made investments in CDMO segment, which will provide a higher return on investment and fostered new customer engagements.

Serving

6

out of the top 10 innovators

Experienced management team

Our organisation is driven by an experienced management team with global industry insights, which fuel our organisational and organic growth. Since our inception, we have demonstrated consistent financial and operational growth, which point towards our robust operational framework and strategic planning capabilities.

86%

Of the Board has 30+ years of experience

Innovation in process chemistry

We utilise environment friendly and cost-effective processes for product development and commercial production, ensuring efficiency across our operations.

₹241 crores

R&D investment

Commitment to ESG

Our focus on responsible supply chain management and climate initiatives enhances our performance on the ESG front.

9%

Renewable energy consumption

How we create value

Capital	Input
F **Financial capital** Enhancing shareholder value through strategic R&D and manufacturing investments, boosting global presence and capabilities, and broadening our product range	• Capex expenditure: ₹700 crores • Multi-year agreement with various clients • Employee benefit expense: ₹639.93 crores
I **Intellectual capital** Utilising top-tier capabilities for high-quality solution development, securing patents, and enhancing our knowledge base	• R&D investment: ₹241 crores • 5 R&D centres • 2,458 R&D and quality team strength
M **Manufactured capital** Boosting operational efficiency through investments in manufacturing and adopting cutting-edge technologies	• 12 manufacturing sites, including bio division • Approvals from WHO, USFDA, PMDA, NIP, KFDA, and BfArM • 1,113 quality audits • 100% pharmaceutical manufacturing sites are cGMP compliant
S **Social and relationship capital** Maintaining relationships with stakeholders, including regulators	• CSR spend: ₹23.31 crores • Total suppliers: 800+ • 121 customer audits
H **Human capital** Cultivating a highly skilled team through targeted training and aligning their expertise with our vision	• Total permanent employees: 6,700+ • 7.5% women in the workforce • 64,977 hours spent on health and safety training
N **Natural capital** Safeguarding natural resources by adopting sustainable sourcing and optimising operations	• 192,098 GJ of energy from renewable sources • 3,362,273 GJ of energy from non-renewable sources • 964,759 kL of water consumed

Value creation process

Vision

To become a leading player in offering integrated solutions to global pharmaceutical needs in creating a healthier world.

Values

Knowledge

Innovation

Excellence

Care

Integrity

Segments

CDMO custom synthesis

Generics API

Generics FDF

Biotechnology

Strategy

- Emphasis on integrated offering and R&D-led business diversification
- Invest in disruptive innovation
- Strong product portfolio
- Robust compliance and quality culture
- Advance and evolve sustainable R&D platform
- Build and optimise large-scale capacities while investing in high potential businesses
- Diversified customer base and market expansion
- Leverage significant technology overlaps and accelerate emerging services

Output	Outcome	Stakeholders impacted
• Revenue: ₹5,041 crores • EBITDA: ₹798 crores	Enhanced shareholder returns through a disciplined approach to capital allocation, towards sustainable growth and strengthening corporate governance practices in our operations	**Employees** **Customers** **Investors**
• 223 patents granted • 82+ products launched in drug product (DP) and drug substance (DS) across diverse therapeutics	Contract manufacturing offering customised solutions, patent portfolio growth, and expanded expertise	**Employees** **Suppliers** **Customers**
• Gross block: ₹5,628 crores • Reactor capacity: 7,750 m^3 • Zero incidents of product recall in the last five years • 131 GJ energy saved by installing movement sensors across our facilities	State-of-the-art large-scale production sites and R&D capabilities, supported by increased efficiency through technological advancements in continuous manufacturing	**Customers** **Investors**
• 300+ clients served • ₹1,972.76 crores revenue from domestic customers	Strengthened trust and collaboration with all stakeholders, including regulatory bodies	**Employees** **Communities** **Customers** **Investors**
• Certified as Great Place to Work • 100% of employees received career development reviews • Healthy and skilled workforce	A more skilled workforce aligned with organisational goals through ongoing development	**Employees** **Suppliers**
• 'BBB' rated by MSCI ESG Rating • Silver rating by EcoVadis Sustainability Rating • S&P Global ESG Score of 59 (vs. PY: 43) • 198,782 tCO_2 of Scope 1 emissions • 176,678 tCO_2 of Scope 2 emissions • 87,212 tCO_2 of Scope 3 emissions • 22,883.67 tons of waste recycled and reused • 10% of incinerable hazardous waste sent for co-processing • More than 1,550 trees planted during the year	Reduced environmental impact through sustainable practices and operational efficiency	**Communities** **Environment** **Investors**

Pushing the frontiers of **cancer care**

Laurus Labs, in partnership with ImmunoACT and backed by cutting-edge research from IIT Bombay, announced the launch of NexCAR19, India's first CAR-T cell therapy. Approved by the Central Drugs Standard Control Organisation (CDSCO), NexCAR19 represents a monumental step in the treatment of relapsed or refractory B-cell lymphomas and leukaemia.

NexCAR19: A beacon of hope

Developed entirely in India, NexCAR19 is the first domestically developed and produced CAR-T cell therapy. This treatment has shown promising results in clinical trials, offering a substantial overall response rate of approximately 70% and demonstrating a favourable safety profile devoid of common severe side effects like cytokine release syndrome (CRS) and neurotoxicity.

Affordable and accessible treatment

With superior efficacy and emphasis on affordability and accessibility, NexCAR19 has made advanced treatment options available in resource-constrained settings. This achievement places India among a select group of nations capable of developing and delivering advanced therapies like CAR-T – bridging the gap in global healthcare disparities.

Increased equity ownership to approximately

34%

in ImmunoACT

Under construction: a second GMP integrated CAR-T & Lentiviral Vectors facility spanning over

50,000 sq. ft.

Chairman's **statement**

Our ability to rapidly scale production and our extensive portfolio of active pharmaceutical ingredients (APIs) and finished dosage forms (FDFs) positions us as a key player in the global pharmaceutical supply chain. As a result, we are well-placed to seize opportunities arising from supply chain de-risking driven by geopolitical factors.

130
Quality audits in FY24

2,458
R&D and quality team

Dear stakeholders,

FY24 was a pivotal year for your Company as we reinforced our position in the pharmaceutical industry while adhering to our commitment to Environmental, Social, and Governance principles.

Industry landscape

The pharmaceutical industry in India continues to evolve rapidly, its growth driven by an increasing demand for healthcare services, a rise in chronic diseases, and the country's critical role as a global supplier of affordable medicines. The government's support through policies such as Ayushman Bharat Yojana, which aims to provide accessible healthcare to millions of citizens, further boosts the sector's growth prospects.

At Laurus Labs, we are strategically positioned to capitalise on these emerging opportunities. Our robust R&D capabilities, state-of-the-art manufacturing facilities, and commitment to quality and innovation ensure that we can meet the growing demand for high-quality pharmaceuticals, both in India and abroad. Our ability to rapidly scale production and our extensive portfolio of active pharmaceutical ingredients (APIs) and finished dosage forms (FDFs) positions us as a key player in the global pharmaceutical supply chain. As a result, we are well-placed to seize opportunities arising from supply chain de-risking driven by geopolitical factors.

The industry's emphasis on green chemistry and renewable energy sources has resulted in a sharper focus on minimising carbon footprint and waste generation in pharmaceutical manufacturing. Socially, it is ensuring equitable access to medicines, investing in community health programmes, and maintaining high standards in employee welfare and safety. For the pharma sector, governance structures that promote transparency, ethical practices, and robust risk management are essential in navigating regulatory requirements and maintaining the confidence of investors, regulators, and the public.

Commitment to ESG

We believe that sustainable business practices are integral to our long-term success. Our commitment to ESG is reflected in our adherence to stringent quality systems and global regulatory standards. We have made significant progress on our Environmental, Health, and Safety (EHS) agenda. Our efforts include implementing renewable energy projects, and committing to the Science Based Targets Initiative (SBTi). These initiatives reduce our environmental footprint and align with our goal of sustainable and responsible growth.

People and culture

Our success is deeply rooted in the dedication and expertise of our employees. With a team of over 6,700 employees, including 2,458 in R&D and quality, we foster a culture of innovation and continuous improvement. We prioritise talent development and employee well-being, ensuring that our workforce is equipped to meet the challenges of the evolving pharmaceutical industry.

As I complete my second term as an Independent Director on the Board, we demonstrated our commitment to nurturing the next generation of leaders within Laurus Labs. In line with effective succession planning, we reorganised our Board of Directors, appointing Dr. Ravindranath as the Non-executive Chairman, effective May 18, 2024. This transition ensures that we comply with the regulatory mandates for tenure of Independent Directors and continue to benefit from experienced leadership while grooming new talent to take on increased responsibilities.

Closing remarks

In conclusion, I would like to extend my gratitude to our shareholders, customers, employees, and partners for their continued support and trust in Laurus Labs. I am confident that we will continue to drive innovation, uphold the highest standards of quality and sustainability, and achieve the vision of improving global health outcomes. I extend my best wishes to the Company for its future endeavours.

Sincerely,

Dr. M. Venu Gopala Rao

Non-Executive Chairman and Independent Director

CEO's **statement**

Your Company continues to advance on its committed capacity building, enhance its capabilities, and improve asset utilisation efficiency. We invested ₹700 crores in FY24, largely towards expanding our CDMO/API service capabilities. Our dedicated R&D centre (small molecules and high potent) is under construction and set to be commissioned by June 2024.

Dear stakeholders,

It is with great pleasure that I address you, reflecting on the journey of growth and learning that we have undertaken over the past year. This address holds a special place in my heart because it is more than a report on our financial performance. In fact, it allows me to try and put in words my passion for chemistry and revisit the path that we set out on in 2006. Since then, we have moved ahead with the clear intention to drive better living through chemistry.

FY24 was a year of recalibration and thoughtful innovation. Our R&D-led commercial strategy continued to yield impressive results and our integrated model allowed us to navigate an environment characterised by geopolitical uncertainties.

Performance over the year

Your Company achieved a 9% growth in revenue in FY24, reaching ₹5,041 crores. This was driven by strong performances in formulations, CDMO, Onco APIs, and the Bio division. Gross margins were resilient at 52%, while EBITDA margins were 16% due to increased R&D spending and investment in growth projects.

The Formulations division grew by 24% y-o-y to ₹1,414 crores, benefiting from volume share expansion in developed markets and steady pricing trends in the ARV sector. The Generic APIs segment saw revenues of ₹2,545 crores, with the ARV APIs maintaining steady momentum. We also continued to lead in

first-line HIV treatments. Further, oncology API witnessed strong demand and saw a 27% growth, while other APIs were sluggish following competitive pricing pressure despite strong CMO contract deliveries.

Our CDMO division generated ₹922 crores in sales amid an increase in RFPs from Big Pharma and leading biotechs. The Bio division grew by 28%, reaching ₹160 crores as we expanded our capabilities in enzyme engineering and planned larger-scale operations in Vizag and Mysore. Furthermore, our R&D investments, comprising 4.8% of sales, focused on enhancing our pipeline.

Strategic advances and collaborations

We strode across various pipeline projects and enhanced our technology and manufacturing platforms. Our business development efforts paid off, resulting in a multi-year CDMO contract with a leading Crop Science Company. Additionally, our long-standing collaboration with Krka blossomed into a joint venture called Krka Pharma Pvt. Ltd., strengthening our position in the market. This partnership promises significant synergies. With a phased investment of up to €50 million, the collaboration will enhance our manufacturing capabilities with a new cGMP facility in Hyderabad, expand our product portfolio, and open access to untapped global markets outside the EU. By leveraging Krka's global expertise and your Company's innovative and manufacturing prowess, the venture aims to produce superior pharmaceutical products and drive long-term growth and stability.

Additionally, we have deepened our cooperation with major CDMO clients, focusing on green and sustainable technology platforms. High-pressure hydrogenation, continuous flow chemistry, and biocatalysis are now integral parts of our operations. We are tackling complex chemistry projects and large-scale biocatalysis with our in-house enzyme manufacturing capabilities, setting the stage for impactful growth in the years to come.

Disruptive investments and milestones

Our investments in Cell and Gene Therapy (CGT) are making positive impact. Our associate company, ImmunoACT, successfully launched NexCAR19 in India, a groundbreaking treatment for certain cancers. Moreover, we are constructing a second large GMP - integrated CAR-T facility to make this treatment more accessible and affordable. Our partnership with IIT Kanpur has led to the construction of a GLP, GMP plant for viral vectors and gene therapy products, with phase one expected to be operational by the end of Q3 FY25.

Quality commitment

We are committed to advancing our quality systems and meeting stringent regulatory standards. In 2024, we underwent over 130 quality audits and successfully passed all inspections without critical findings. Our ESG and EHS initiatives are progressing well, supporting our long-term success.

Positioned for consistent growth

Your Company continues to advance on its committed capacity building, enhance its capabilities, and improve the efficiency of asset utilisation. We invested ₹700 crores in FY24, largely towards expanding our CDMO/API service capabilities. Our dedicated R&D centre (small molecules and high potent) is under construction and set to be commissioned by June 2024. Additionally, two GMP production plants for our emerging Animal Health business have started production, while two other units are in the build-up phase. We have also commenced the $40 million Phase I construction of a new GMP-grade microbial fermentation commercial facility in Vizag. This state-of-the-art facility will enable us to meet the demand for intermediates and complex semi-synthetic project delivery to global innovators.

Our leadership in specialised segments like ARV and oncology APIs is further solidified through continuous innovation and by leveraging our integrated manufacturing model - which ensures efficiency and cost-effectiveness. Our focus remains on scaling our high-potential, customer-centric CMO/CDMO business and utilising our strategic capex initiative to enhance scientific capabilities.

Outlook

Looking ahead, we are entering FY25 with a solid foundation. Our focus is on unlocking sustainable and profitable growth by enhancing our technology breadth and commercial excellence. We aim to improve our operating margins, increase asset utilisation, and deliver on late-phase commercial NCE opportunities. While we anticipate some pricing headwinds in parts of our API portfolio, we expect to offset these with volume increases and cost-improvement measures. Our investments in future are designed to create long-term value for all stakeholders.

Thank you for your continued support. We are excited about what the future holds and look forward to achieving more milestones together.

With kind regards,

Dr. Satyanarayana Chava

Executive Director and CEO

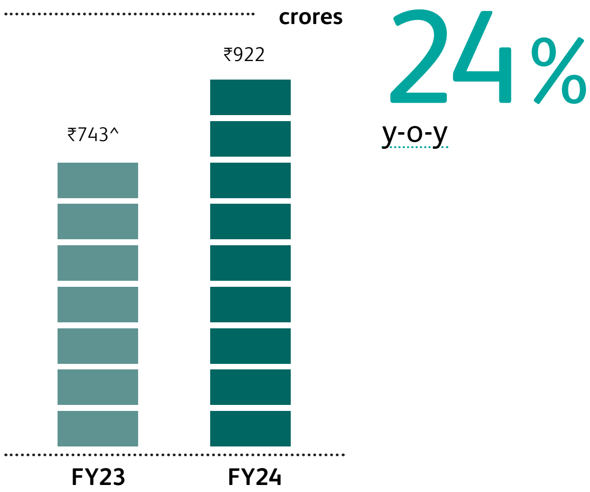
Business **review**

In this section, we delve into strategic endeavours and achievements that have shaped our position as a leader in the pharmaceutical industry. We also examine the integration of cutting-edge research and development efforts into our product offerings.

CDMO custom synthesis

In Asia, pharmaceutical companies are challenged to stand out in a crowded and fragmented market; success often hinges on leveraging unique capabilities, quality, and efficiency. Additionally, the rising chemical complexity of products necessitates a mastery of intricate chemical synthesis and production processes to maintain a competitive edge. Moreover, there is a growing emphasis on faster time-to-market strategies. Streamlining research and development, production, and regulatory pathways is crucial to reducing the duration from concept to commercial availability.

At Laurus Labs, we ensure preparedness against such challenges. Our offering encompasses an integrated solution spanning clinical to commercial drug substance (DS)/drug product (DP), with specialisation in high-potency compounds such as oncology, hormones, and steroids. Leveraging a bio-catalysis and continuous flow chemistry platform enhances our efficiency and innovation, allowing us to offer speed and flexibility in our services. Paramount to our approach is intellectual property (IP) protection, ensuring our clients' proprietary assets are securely managed and supported throughout the product lifecycle.



^ Excluding material Purchase Order (PO) supplies to Big Pharma; reflected in CDMO-Synthesis segment.

Strategic priorities

- Enhance our CDMO offerings by leveraging a broad range of capabilities to penetrate new markets such as animal health and ag-chem and build diversified annuity business model
- Advance semi-synthetic manufacturing solutions combined with fermentation techniques towards green chemistry and improving sustainability
- Invest in large-scale, specialised facilities designed for long-term manufacturing partnerships
- Committing to a $100 million capital expenditure for the development of a state-of-the-art R&D centre and manufacturing infrastructure for small molecules and fermentation

FY24 highlights

Core business sales increased by 24 % without PO business

Witnessed a continued increase in demand from both existing and new clients, in addition to strong customer interest in our bio-catalysis and flow chemistry platforms

Managing over 70 active projects across various phases (I, II, and III) with ongoing commercial supplies for 10 projects, including 4 APIs and several intermediates

A new animal health drug substance (DS) commenced commercial validation and further expansion of animal health drug substance manufacturing block are underway

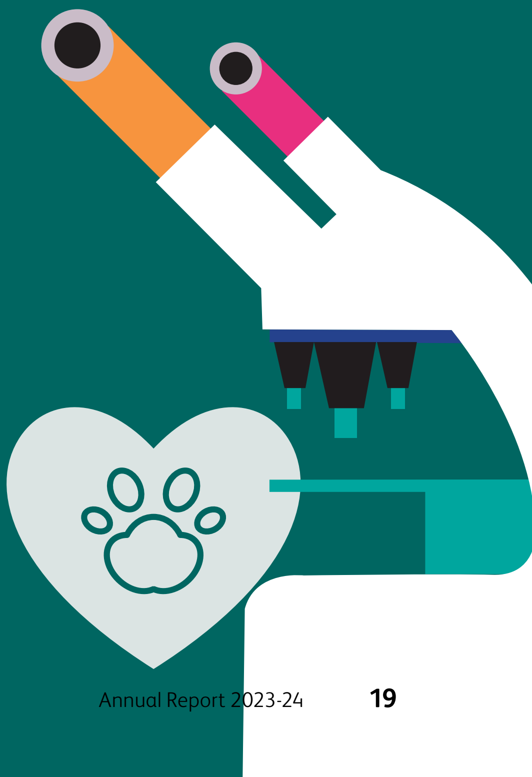
Increased the commercial pipeline with several late-phase new chemical entity (NCE) projects while enhancing business development efforts towards securing early-stage projects

Strong RFP flows from Big Pharma and large biotech companies, alongside delivery on multiple RFPs involving higher chemical complexity

Signed a multi-year Master Service Agreement (MSA) with a leading crop protection company

FY25 plans

Our focus is on expanding our CDMO capabilities to include a diversified portfolio beyond the momentum in new chemical entity (NCE) clinical projects. We are on schedule with the construction of animal health CDMO manufacturing blocks, which are nearly fully contracted with a major pharma partner. The agchem site (LSPL-U4) is in the preparatory phase, with the MSA already in place. Additionally, our R&D centre is set to become operational during Q2 FY25, ensuring increased resource allocation towards additional RFPs and collaborations.

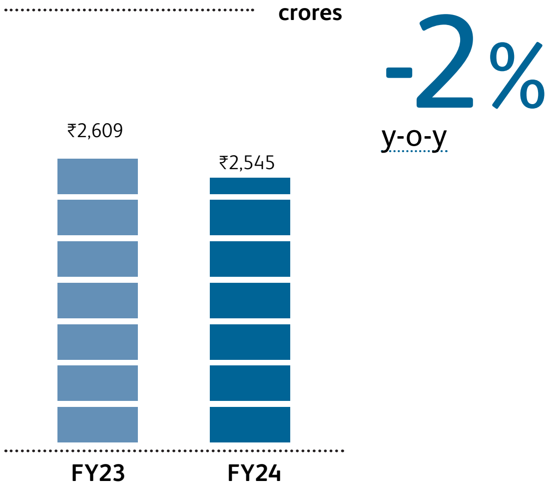


Business review

Generics API

The highly fragmented Generics API market is growing at 13.5%+, driven by the increasing demand for reliable and high-quality APIs, and pharma companies' strategy to de-risk their supply chains from over-reliance on a single source. We are well-positioned to capitalise on the growth opportunity, offering end-to-end API solutions, covering both small and complex molecules, including high-potency APIs (HP APIs) and peptides.

With a portfolio of over 80 APIs, of which 40% are differentiated, our approach integrates green chemistry concepts. Our capabilities are enhanced by large manufacturing sites with over 7,750+ m^3 capacity, positioning us as a leader in the API domain.



Strategic priorities

- Prioritise cost leadership and sharpening our commercial strategy focus
- Forge new CMO partnerships targeting both established and high-growth molecules, particularly in the diabetic/CV, gastro, steroids and hormones segments
- Optimise new capacity utilisation in the mid-term for efficiency
- Ensure sufficient capacity to fully leverage market opportunities
- Strengthen our leadership in the production of highly potent APIs, particularly in the oncology sphere

FY24 highlights

The overall performance declined by 2 %, with steady growth in ARV API at 1 % and a positive demand increase in oncology by 27 %. The non-ARV/ non-oncology API revenues declined by 22 % due to lower demand and competitive pricing

Achieved strong volume growth across our franchise, with continued scaling up of CMO partnerships

Accelerated efforts to increase efficiency, effectively mitigating the impact of inflation and price pressures

Increased development and commercial scale capacity by 30 % over the last 24 months, with a strong emphasis on capacity expansion

Observed stable volume trends in ARV, with an expanding global customer base and improved pricing for select products

Multifold capacity expansion in oncology, underpinned by favourable demand dynamics

FY25 plans

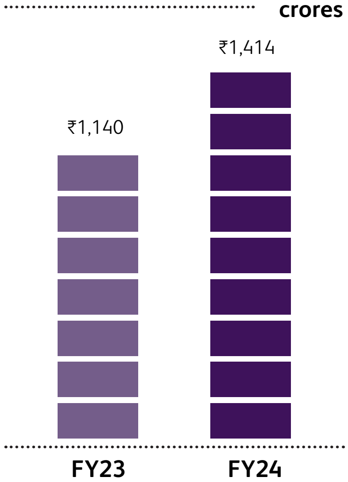
We are focusing on leveraging our large-scale capacity to capitalise on the dual sourcing trend. Additionally, we are intensifying business development activities for APIs that have been commercially validated and working to expand our market share for existing commercial APIs.

Business review

Generics FDF

The pharmaceutical market is experiencing a highly competitive environment, especially in the 1L ARV treatment space. Additionally, there has been an easing of raw material pricing pressures, allowing companies to offer more competitive pricing models and potentially improved profit margins. Moreover, there is a marked increase in outsourcing activities as companies strive to optimise costs and access specialised capabilities. This shift is indicative of a broader move towards more collaborative business models, focusing on core competencies while leveraging external expertise to enhance operational efficiencies.

We are primed to benefit from potential growth in the market. Our expertise spans oral and complex dosage forms – tablets, capsules and sachets – and orally disintegrating films (ODF), supported by modern and efficient manufacturing lines. We excel in development, analytical, and regulatory domains, complemented by integrated packaging solutions and serialisation, ensuring a seamless and efficient production process from concept to market.



24%
y-o-y

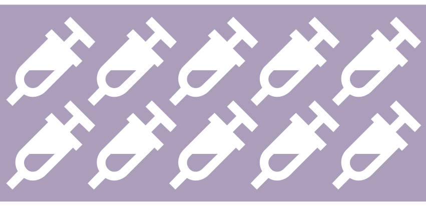
Strategic priorities

- Enhance scale and efficiency using an API+ integrated approach for quality formulations and on-time supplies
- Target expansion in CMO opportunities within the diabetic/cardiovascular portfolio
- Strengthen ARV leadership by building an expansive portfolio (extensive pipeline and new market access) to counter regime change risk
- Grow non-ARV segment and maximise US/Europe pipeline potential

FY24 highlights

Increased by 24%, boosted by stabilising ARV business and continued volume-led growth in the developed market portfolio. Market outlook remains stable

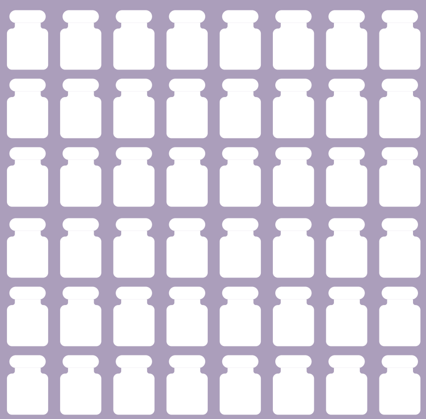
Multiple US product launches and increased CMO activity supported higher asset utilisation



Joint venture with KRKA aims to enhance the generic portfolio and market presence

Stabilised ARV business, pursuing cost optimisation, portfolio breadth expansion (complex oral/ injectables), and newer market potential to sustain leadership

Filed 8 product dossiers and received 9 approvals, cumulatively achieving 80 product filings and 61 approvals across the US, Canada, and Europe, signalling strong regulatory competency in aiming for global product development



FY25 plans

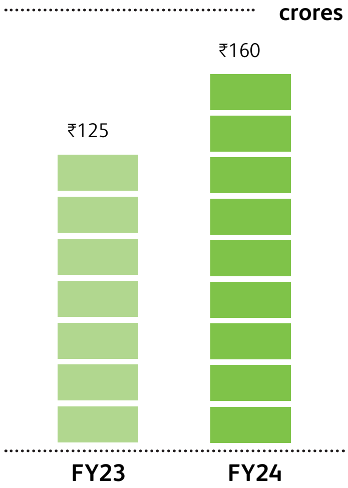
We are expanding our capabilities with new technologies like spray dried dispersion, continuous tablet manufacturing lines, alongside ODF and advanced labelling, packaging and serialisation for commercial products. We are also doubling our oral dose capacity with additional FDA approvals and planning for significant expansion to cater to contract manufacturing opportunities.

Business review

Biotechnology

The emergence of alternate protein sources, though still in nascent stages, holds promising growth potential, driven by sustained interest and long-term potential in this space. However, challenges such as inefficient yield economics persist, necessitating innovative approaches to improve production efficiency and output. Additionally, there is an escalating demand for molecules derived from fermentation processes, fuelled by their versatile applications across pharmaceuticals, food, and cosmeceuticals.

Our competitive advantage stems from the fact that our portfolio consists of a range of innovative solutions. These include precision fermentation, animal-origin-free recombinant proteins for food applications, specialised cell-culture media, a cutting-edge bio-catalysis platform, and manufacturing processes adhering to good manufacturing practices (GMP). These capabilities enable us to deliver sustainable, high-quality solutions across the food and biotechnology industries.



28% y-o-y

Strategic priorities

- Broaden the application of enzymes/bio-catalysis in small molecule CDMO
- Tap into emerging markets within the nutrition and health/personal care sectors, exploring new growth avenues
- Improve productivity and yields through advanced technologies and optimised processes
- Undertake strategic expansion in large-scale fermentation and development processes, aligning with long-term sustainable growth objectives

FY24 highlights

CDMO service drives a 28 % growth, supporting biocatalysis expertise in select small molecule projects. De-bottlenecking of the R-2 downstream operations has been brought online to service more projects and customers

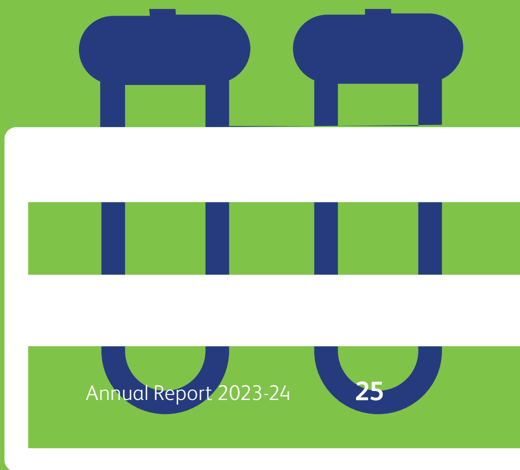
Strong demand growth for CDMO services, accompanied by the expansion of our customer base

Acquisition of an additional 13.2 % stake in Laurus Bio, reflectinag confidence in the technology platform's potential both internally and for external partner projects

Announced a $40 million investment in microbial fermentation to enhance complex CDMO project delivery – ground broken at Vizag

FY25 plans

We will continue to expand our biocatalysis platform for clinical and commercial drug substance projects while exploring opportunities in semi-synthetic biology. Additionally, we will leverage the new microbial fermentation facility in Vizag to meet growing demand. Our investment strategy will focus on enhancing infrastructure and optimising project delivery across clinical and commercial stages. We also aim to enhance our presence in the enzyme technology market following our increased stake in Laurus Bio.



Manufacturing **highlights**

Our excellence in manufacturing is rooted in our commitment to quality, innovation, and sustainable practices. Our state-of-the-art manufacturing assets and the 'One World, One Quality' focus ensures that we meet the highest standards across all our facilities.

Our strategy is characterised by a scale-up in existing CDMO partnerships, strong order books, and a focus on capacity optimisation. This approach has led to a 30%+ increase in development/commercial scale capacity in the last 24 months.

Capacity

With 12 manufacturing facilities – 8 operating facilities in Visakhapatnam, a drug substance unit and a kilo lab in Hyderabad, and two bio facilities in Bengaluru – which are accredited by global regulatory agencies, including the US FDA and WHO, we ensure the highest quality standards in our production processes. We have invested $100 million in ongoing CDMO projects, including a dedicated AH facility (operational from November 2023). Additionally, our R&D centre, focusing on small molecules and high potent products, is scheduled for commissioning in Q2 FY25. By the end of FY25, we also expect the Crop Protection unit to be fully qualified.

Notably, 40% of the Capex across our CDMO, API, and Drug Product segments is still in the early stages of scaling up. Further expanding our capabilities, we have planned a $40 million fermentation-focused capex for FY25. This investment includes units in Mysore and Vizag, a decision aimed at maximising complex CDMO project delivery and expanding our fermentation capabilities in the GMP intermediates.

3,800 KL CDMO + API	7,750+ KL API	10 bn tablets and capsules FDF	240 Bio-ingredients

India, Visakhapatnam

Unit-1, Parawada A C
1,279 KL

Unit-3, Parawada A R
2,317 KL

Unit-5, Parawada C
161 KL

Unit-2, Atchutapuram
10Bn units, 161 KL

Unit-4, Atchutapuram A C
1,995 KL

Unit-6, Atchutapuram A
1,479 KL

LSPL-1,Parawada A C
140 KL

LSPL-2, Atchutapuram C
223 KL

India, Hyderabad

Sriam A
81 KL

Kilolab A C R
4.5 KL

India, Bangalore

R1 B R
15 KL

R2 B
225 KL

U.S

Berkeley Heights, NJ M

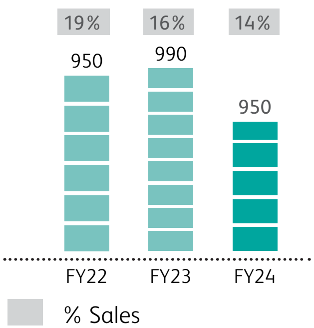
Europe

Winchester, UK M
Hamburg, Germany M

A API/Drug substance
C CDMO inclusive
F FDF/DP
B Bio-Ingredients
M Marketing
R R&D

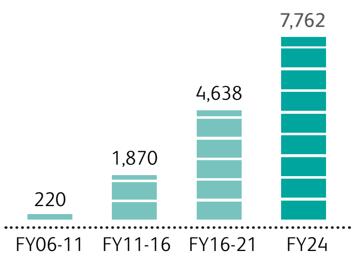
Capex investment

(₹ in crores)



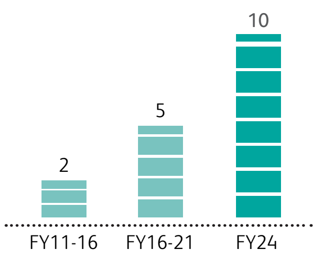
Reactor capacity

(KL)



Drug product capacity

(billion)



Manufacturing highlights

Quality and compliance

Quality and compliance are the fundamental principles guiding every aspect of our operations. We are committed to ensuring the safety and efficacy of our products for patients worldwide. This commitment drives continuous improvement and innovation within our quality management frameworks.

Embedding quality in our operations

We have adopted a holistic approach to quality, covering every stage of drug development and manufacturing. We adhere to stringent Good Manufacturing Practices (GMP) across our processes, ensuring product quality and safety. Our record of zero product recalls over the past five years highlights the rigour and effectiveness of our quality controls and management systems

Quality management initiatives

- We leverage sophisticated software tools to enhance operational efficiency and quality oversight, including a document management system (DMS) for seamless document handling and SAP for inventory management
- Our facilities, equipped with advanced calibration and preventive maintenance software and quality assurance management systems (eQAMS), ensure equipment maintenance and robust quality assurance
- Additionally, the implementation of ICDAS for stability chambers and Minitab for quality data analysis ensures product stability and quality review excellence

Automation and digitisation

In a world where precision and efficiency dictate success, we have integrated cutting-edge automation and digitisation technologies into our processes. Each initiative under this umbrella is carefully chosen to ensure our processes are leaner, faster, and more error-resistant.

Digital transformation focus

We have integrated robotic process automation (RPA) to streamline operations and workflows, which enhances efficiency across various functions. Alongside this, we utilise advanced data analytics and visualisation tools to facilitate informed decision-making, enabling us to respond swiftly and effectively to changing market dynamics. We have also implemented predictive and forecasting tools that enhance strategic planning by providing forward-looking insights. Additionally, the deployment of the Internet of Things (IoT) across our manufacturing processes has enabled us to optimise operations, ensuring maximum productivity and minimal waste.

Fostering a culture of quality through training

We prioritise continuous learning and skill development through our electronic learning management system (eLMS), tailored to specific roles and responsibilities. Additionally, our comprehensive induction programmes for new hires and specialised cGMP training sessions (facilitated by qualified external trainers) reinforce our commitment to upholding the highest quality standards.

Regulatory compliance

Our adherence to global regulatory requirements and the successful completion of regular inspections and audits affirms our compliance and dedication to quality. To ensure operational consistency and regulatory alignment, we maintain a robust internal auditing mechanism, alongside well-defined standard operating procedures (SOPs). Furthermore, we have achieved cGMP certification across all sites and successfully navigated regulatory inspections.

1,113

Quality audits – regulatory and customers

Technological advancements in quality control and production

- Our advanced tablet inspection machine, with 24 cameras, ensures the highest quality by detecting and removing imperfections in tablets at speeds of up to 700,000 per hour
- We have automated our oral dosage films (ODF) production, closely controlling key factors such as film thickness and drying conditions, followed by accurate cutting and packaging at 564 pouches per minute. This ensures consistent quality and precise dosages, marking it as a dependable method for ODF manufacturing
- Our bottle packing line uses an automated robotic system for assembling, sealing, and palletising 200 bottles per minute, ensuring efficiency and accuracy while reducing packaging errors
- Our recipe-based manufacturing approach minimises variability, reduces losses, and prevents batch rejections. By scaling batches strategically, we enhance output and lower our environmental impact, leading to increased productivity

Sustainability

At Laurus Labs, our journey towards sustainability is integral to our operational ethos. We have launched a series of initiatives aimed at enhancing energy efficiency and promoting the use of renewable resources. Our strategic approach is structured around key areas of impact.

Renewable energy integration

A significant stride towards sustainability was achieved by augmenting our renewable energy consumption, with solar energy constituting approximately 9% of our total energy use. This shift decreases our reliance on fossil fuels and marks our contribution towards building a sustainable energy future.

Energy conservation measures

- Our energy conservation efforts were boosted by the purchasing of 42,594.26 tonnes of steam from waste heat recovery boiler
- The adoption of solar power was a major achievement, with 74,426 GJ generated and utilised within the year
- Transitioning to electric vehicles from fuel-based transport options further exemplified our pledge towards clean and green transportation methods

Technological innovations for efficiency

The implementation of variable frequency drives (VFDs) across our operations reflects our drive for energy efficiency machines. We also invested in advanced cooling systems, installing temperature controllers for cooling tower fans to optimise energy consumption while maintaining essential temperature levels.

6,354 GJ

Reduction in energy consumption by incorporating variable frequency drives (VFDs) and temperature controls in cooling tower fans, replacing existing compressors with those featuring radiator cooling, and installing movement sensors across the facilities.

Compliance

Our manufacturing facilities are compliant with integrated management system (IMS) standards, including ISO certifications for quality, environmental, and occupational health and safety management systems. The initiation of the Energy Management System ISO 50001:2018 and external green audits illustrate our commitment to environmental stewardship and sustainable manufacturing practices.

Innovation **highlights**

We have continually strengthened our position as a leader in the pharmaceutical and biotechnology industry through strides in innovation and product excellence. By integrating advanced technologies and sustainable practices across various facets of our operations, we enhanced product quality, operational efficiency, and environmental responsibility.

223
Patents granted

5
R&D centres

4.8%
R&D spends to revenue

6
Big Pharma partnerships

Research and innovation

Our research-first philosophy differentiates us, fuelled by our state-of-the-art R&D facilities and a passionate team of over 2,450 professionals, including 1,100+ researchers and scientists.

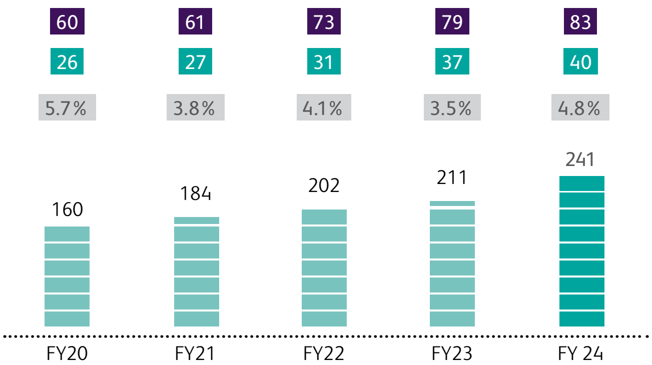
Gene therapy

We are constructing a 28,000 sq. ft. GLP/GMP lab focused on viral vectors and gene therapy products, with Phase 1 expected to be operational by the end of FY25. We have also in-licensed four gene therapy assets from IIT-Kanpur and provided the necessary funding to advance into clinical trials. Additionally, a new Chief Scientific Officer has been identified to lead these initiatives.

Cell therapy

Our associate company, ImmunoACT, launched NexCAR19, India's first indigenously developed CAR-T cell therapy, approved by CDSCO for treating B-cell malignancies. With a network of over 50 hospitals and 100 successful infusions in BCL and B-ALL, we are constructing a second GMP facility in Navi Mumbai, spanning over 50,000 sq. ft. Additionally, we have increased our stake in ImmunoACT to approximately 34%, following the completion of Phase II for their lead CD-19 targeting therapy.

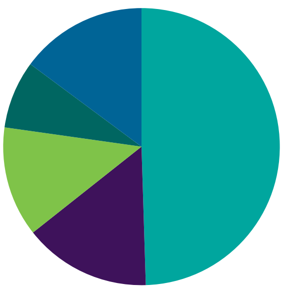
R&D spent and filing trend



DMFS | ANDAS | R&D SPENDS TO REVENUE

We will continue to invest in our portfolio with a product-specific approach, emphasising complexity and scale

US filings by therapy mix



40
ANDAs filed

Para IV: 17
FTFs: 11

*Total filings:
EU (18) & Canada (22)

- 50% ARV
- 13% CVS
- 15% Others
- 14% Anti-Diabetic
- 8% CNS

*Diverse pipeline with 80 product filings and 61 approvals across US, Canada and EU

Expanding R&D capabilities

Our overall R&D focus is towards embracing newer technologies that align with sustainable manufacturing practices. The commissioning of sterile R&D labs, capable of handling diverse injectable products is focused on developing complex products. Additional R&D at Hyderabad will allow us to expand our scientific team strength by an additional 600, over a period of 18 months.

Drug delivery and formulations

During FY24, we focused on developing new formulation technology platforms and dosage forms to help customers overcome formulation bottlenecks and provide more options. We commercialised our first oral extended-release product and advanced multiple oral technologies, including wurster-coated ER capsules and tablet-in-capsule ER. Our paediatric DTG application, based on novel Oral Dispersible Film (ODF) technology, was approved by the US FDA, with additional products being added to this platform. We also developed a sterile injectable platform capable of handling diverse injectable products, thereby supporting pipeline development across various therapeutic areas.

Continuous flow technology

We continued to invest in our continuous flow platform to deliver complex projects efficiently. During FY24, we added over seven continuous flow reaction projects and qualified commercial-scale continuous flow reactions (CFR), with further expansion into additional units. Our expanded flow process development capability at the R&D scale, including fixed bed reactors, has helped minimise our carbon footprint while enhancing efficiency and safety.

Bio-catalysis and fermentation

Our integrated offering encompasses capabilities across recombinant protein (rh-Protein), biocatalysis, and precision fermentation. During FY24, we enhanced our enzymatic technology platform and added over ten biocatalysis projects for the green synthesis of small molecule drugs. This reflects our vision to harness the synergies of these technologies, driving scalable and sustainable innovations across various biotech applications. Additionally, we expanded our offerings in the artificial sweetener segment.

Process technology

We aim to explore and apply advanced technology platforms for pharmaceutical process development, striving for green chemistry, cost reduction, raw material optimisation, and efficiency improvement. In FY24, our R&D platform for small molecules supported over 100 projects across drug substances and drug products. We qualified alternative flow techniques, such as plug-flow and microchannel reactors, to support NCE projects, thereby maximising the utilisation of our installed capacities.

Expanding service capabilities

We have signed a Master Service Agreement (MSA) with a leading crop protection company. This move diversifies our portfolio and provides sales visibility for the mid and long term. Additionally, we have brought a new animal health drug substance (DS) facility online and are actively discussing opportunities to support drug product (DP) solutions.

Digital excellence and intellectual property

Our integration of digital solutions, including advanced inventory management systems and ALCOA+ for data integrity, indicate a push towards operational efficiency, precise decision-making, and sustainability. With 342 patents filed, 104 dossiers, and multiple ANDAs, we are building a robust intellectual property portfolio and advancing healthcare solutions.

Expanding **horizons**

In a landmark partnership, we have joined forces with Krka, the renowned European pharmaceutical giant, to form Krka Pharma Pvt. Ltd. Based in Hyderabad, India, this joint venture (JV) marks a leap forward, blending our manufacturing excellence with Krka's global expertise.

Krka

- Strong financials $1.9 billion+ in revenues
- Robust pipeline of 170 products
- Marketing experience

Laurus Labs

- Manufacturing excellence
- Quality commitment
- U.S. presence

Existing footprint

- CIS
- Russia
- MENA

- US
- EU (via Partner)
- ROW

Markets of interest

- LATAM
- Africa

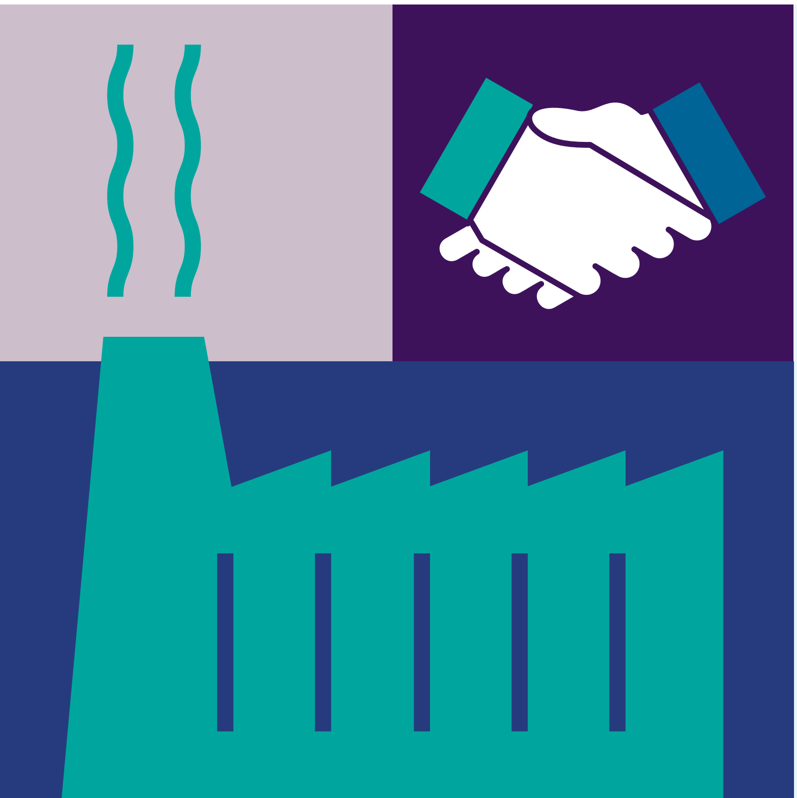
- SE Asia
- India

Offers highly attractive growth prospects in the long run

Growth through synergy

Laurus Labs and Krka have committed to a phased investment of up to €50 million, to be shared between the partners over three years, with KRKA contributing 51% and Laurus Labs 49%. This investment will support the establishment of a cGMP finished dosage form (FDF) facility in Hyderabad, while addressing the near-term joint venture needs from our Vizag site.

Harnessing the strengths of the parent companies, Krka Pharma Pvt. Ltd. will focus on manufacturing pharmaceutical products for global markets (including additional capacities for Krka), while exploring untapped markets outside the European Union. This signifies a shared commitment to enhancing health standards globally.



Our business relationship with Krka has matured over the years and growing year on year. This JV further cements our relationship to enhance product portfolio and markets. The JV also has plans to service quality products to India market over a period of time".

Dr. Satyanarayana Chava,

Executive Director and CEO of Laurus Labs Ltd.

Our stakeholders

Through engaged listening, establishing connections, and forging partnerships with our stakeholders, we identify the impacts of our business and strive to improve outcomes for our customers, the wider community, and the environment. Open and transparent dialogue with our stakeholders is fundamental in nurturing and sustaining enduring relationships across our stakeholder network.

Employees

Purpose of engagement

Our employees are our most valuable assets. They are critical to increasing our competitive edge and strengthening market leadership, thereby driving our long-term success.

Strategic priorities

- Safe working environment
- Equal opportunities and treatment
- Learning and growth
- Work-life balance
- Employee benefits
- Fair rewards and recognition

Mode of engagement

- Meetings/Town hall briefings
- Employee engagement surveys
- Team building, workshops, capability building and training
- Annual appraisals
- Rewards and recognitions
- Robust people policies

Frequency of engagement

Continuous

Capitals impacted

H M

Value created

64,977 – Total training hours

Customers

Purpose of engagement

Engaging with customers enables us to understand evolving needs, ensure product quality and compliance, and foster long-term business relationships.

Strategic priorities

- Anticipating evolving needs
- Innovative product solutions to cater to changing needs
- Creating service delight with faster turnaround time

Mode of engagement

Customer engagement surveys

Frequency of engagement

Continuous

Capitals impacted

S I

Value created

Zero – Incidents of product recall

Community

Purpose of engagement

Empowering the community is necessary to our long-term sustainability. Through numerous upliftment projects and activities, we continue to develop our relationships with the communities and transform their lives.

Strategic priorities

- Contribution to society
- Provide opportunities for self-sustenance and empowerment

Mode of engagement

CSR initiatives

Frequency of engagement

Monthly

Capitals impacted

S H N

Value created

₹23.31 crores – CSR expenditure

Process

Stakeholder identification
We start by compiling a detailed list of stakeholders, categorising them into internal (such as employees and management) and external groups (including customers and community members), and then prioritising them based on their influence and impact on our business operations.

Material topic identification
We begin by drafting a comprehensive list of material topics, followed by discussions with management to identify and determine the most critical issues. This process culminates in a consolidated list of the highest-priority topics for our strategic and operational focus.

Engagement with stakeholders
We develop a tailored questionnaire for both internal and external stakeholders, then organise and conduct engagement exercises with select groups, ensuring to actively engage with stakeholders and record their responses for analysis.

Response analysis
We collate responses from stakeholders, identify key material topics based on these responses, and then proceed to construct the materiality matrix to strategically align our priorities.

Suppliers

Purpose of engagement
We collaborate with the suppliers to maintain a seamless business operation, ensuring effective and efficient procurement practices.

Strategic priorities
- Long-term partnerships
- Transparent practices
- Timely redressal of any queries
- Cost efficiency

Mode of engagement
- Regular operational reviews
- Vendor meets

Frequency of engagement
Continuous

Capitals impacted
S M

Value created
Our procurement team is trained on various aspects of sustainable procurement guidelines.

Investors

Purpose of engagement
We engage with investors to build trust and communicate our strategic direction and growth potential.

Strategic priorities
- Enhancing shareholder value through innovation
- Maintaining transparency
- Showcasing long-term growth strategies

Mode of engagement
- Quarterly earnings calls
- Annual shareholder meetings
- Publishing regular financial reports

Frequency of engagement
Quarterly

Capitals impacted
S F

Value created
₹86 crores – Dividend

Government/ Regulatory authorities

Purpose of engagement
The government agencies and regulatory bodies provide required registrations, essential to conducting the businesses smoothly.

Strategic priorities
- Compliance with rules and regulations
- Timely reporting through various compliance-based forms

Mode of engagement
- Disclosures and filings for compliance reporting
- Meeting authorities for permissions/approvals

Frequency of engagement
Need-basis

Capitals impacted
S F

Value created
- Timely tax payment
- High compliances with regulations

Materiality

To identify the ESG topics that are most significant to our operations and stakeholders, we actively involve our stakeholders in a comprehensive materiality assessment process. We revisit and update our materiality assessments biennially to ensure relevance and responsiveness. Our thorough approach guarantees extensive stakeholder involvement – covering both internal and external parties – to spotlight priority ESG topics critical to us.

Material topic	ESG category	Topic priority	Linkage with report
Regulatory compliance	Governance	High	Governance, ethics and compliance
Product quality and safety	Social Governance	High	Manufactured capital
Occupational health and safety	Social	High	Human capital
Protecting intellectual property rights	Governance	High	Intellectual capital
Cybersecurity and data privacy	Governance	High	Governance, ethics and compliance
Ethical governance	Governance	High	Governance, ethics and compliance
Risk management	Governance	High	Managing risks - An integrated approach
Employee well-being and satisfaction	Social	High	Human capital
Talent attraction and retention	Social	High	Human capital
Learning and development/skilling	Social	High	Human capital
Access and affordability	Social	High	Social and relationship capital

Opportunity or risk	Rationale for identifying the risk/opportunity
Risk	Regulatory compliance is vital for us to maintain product quality, adhere to legal requirements, build reputation and trust, access markets, protect intellectual property, conduct ethical research, and ensure a secure and compliant supply chain.
Risk	Issues related to quality and safety of our products may impact our brand reputation, ability to differentiate from competitors and create value for our stakeholders.
Risk	The health and safety of employees are of paramount importance to us; hence it is our responsibility to provide them a safe and healthy workplace. Health and safety hazards pose regulatory, reputational, and business continuity risks.
Risk	It helps us encourage innovation, safeguard market exclusivity, prevent unauthorised use and copying, maintain competitive advantage and fosters collaboration.
Risk	Implementing robust cybersecurity measures is essential to mitigate risks, reduce vulnerabilities, and safeguard our digital assets and operations.
Risk	Ethical governance is vital for us as it ensures compliance with regulations, builds stakeholder trust and reputation, and access to medications, avoids conflicts of interest, upholds ethical supply chain practices, and contributes to long-term sustainability.
Risk	It is crucial for us to identify and mitigate our risks to protect our reputation and brand, maintain business continuity and ensure financial stability.
Opportunity	Employees form backbone of our operations and to drive their productivity and boost retention, and talent acquisition, it is crucial that we take care of them.
Opportunity	It is essential for us to bring in fresh talent and at the same time retain our valuable employees to foster innovation and creativity in the company.
Opportunity	Enhancing skills and competencies of our employees helps us in enhanced performance and productivity.
Opportunity	Better access and affordability are crucial as it results in improved health outcomes, equity in healthcare access and the overall well-being of countries that cannot afford medicines.

Materiality

Material topic	ESG category	Topic priority	Linkage with report
Responsible supply chain management	Social	High	Social and relationship capital
Innovation management	Social	High	Intellectual capital
Ethical sales and responsible marketing	Governance	High	Social and relationship capital
Digitisation	Governance	Medium	Intellectual capital
Toxic emissions	Environment	Medium	Natural capital
Climate risks and resilience	Governance Environment	Medium	Natural capital
Climate and environment management	Environment	Medium	Natural capital
Human rights	Social	Medium	Human capital
Green chemistry	Environment	Medium	Natural capital
Community engagement	Social	Medium	Social and relationship capital
Antimicrobial resistance	Environment	Medium	Natural capital
Biodiversity management	Environment	Low	Natural capital
Diversity and Inclusion	Social	Low	Human capital

Opportunity or risk	Rationale for identifying the risk/opportunity
Risk	It is essential for us to identify and mitigate risks related to our supply chain such as disruptions in raw material supply, supplier reliability, or environmental sustainability.
Opportunity	Innovation is a crucial aspect for us to maintain our competitive advantage and encourage collaboration and partnerships.
Risk	Given the nature of the industry we are in, it becomes essential that we adhere to responsible and ethical marketing of our products to protect against their misuse or off-label promotion.
Opportunity	With the rapid technological advancements, it is imperative that we bring these solutions in our operations to enhance our efficiency, reduce costs and support the development of innovative solutions.
Risk	Managing our emissions into the environment is crucial for us to not only comply with the regulation but remain true to our environmental stewardship commitments.
Risk	Climate risks pose serious financial and reputational risk to Laurus Labs in the coming future. It is therefore essential that we ensure that we pay attention to develop timely mitigation strategies.
Risk	To reduce our environmental impacts and deal with the associated business continuity and human safety risks, it is important that an adequate climate and environment management system is in place.
Risk	It is our ethical responsibility to respect the human rights of every stakeholder associated with us.
Opportunity	By adopting green chemistry principles, we can significantly contribute to environmental protection by reducing our air and water pollution, conserving resources, and minimising our carbon footprint.
Opportunity	Community engagement allows us to build trust and create shared value for the communities in which we operate.
Risk	AMR poses a significant business risk to us as it may reduce the effectiveness of our products and increase the need for new drug development.
Opportunity	Sustainable use of biodiversity becomes important for us as many of our ingredients are derived from these.
Opportunity	Diversity is an important aspect for a business as it drives innovation and creativity and enhances decision-making.

Operating environment

As we stride ahead into the future, the growth trajectory is influenced by several key factors that shape our direction. We leverage these insights to navigate the complex and evolving terrain of the pharmaceutical industry to drive growth, foster innovation, and deliver value to our stakeholders.

Demographic and healthcare trends

The world is witnessing a demographic shift towards an aging population with increased prevalence of chronic diseases. It is driving demand for pharmaceuticals, especially in areas like oncology, cardiology, and neurology, where we are strategically expanding our product portfolio.

By 2030, one in six people in the world will be aged 60 years or over, a substantial increase from 2020. This trend indicates a significant growth in the size of the older population, which is projected to double by 2050, reaching 2.1 billion people.

Source: World Health Organisation

Global market dynamics

The pharmaceutical industry is influenced by trade policies, patent laws, and international relations. As a company that operates on a global scale, we closely monitor these dynamics to adapt its strategies accordingly. Our international partnerships and market diversification efforts are designed to mitigate risks associated with global uncertainties.

Sustainability and ESG considerations

ESG factors are becoming increasingly important in the pharmaceutical industry. Stakeholders, from investors to consumers, demand greater transparency and responsibility in operations. We are Laurus Labs is dedicated to sustainable practices, evidenced from our investments in green chemistry and efforts to reduce our environmental footprint, aligning with global initiatives towards the same objective.

Technological advancements

Innovation is at the heart of the pharmaceutical industry's growth. Cutting-edge technologies, such as artificial intelligence (AI), machine learning (ML), and precision medicine, are transforming drug discovery, development, and delivery. We are embracing these technologies, investing in R&D to enhance efficiency and creating more personalised medicine.

50%
Reduction in drug discovery timelines owing to **Generative AI**

Regulatory environment

The regulatory landscape for pharmaceuticals continues to evolve, with increasing emphasis on safety, efficacy, and quality. Regulatory bodies like the U.S. Food and Drug Administration (FDA) and the European Medicines Agency (EMA) are setting higher standards for approval, impacting how companies navigate product development and market access. Our commitment to compliance and quality ensures we meet these rigorous standards.

Competitive landscape

The pharmaceutical industry is highly competitive, with companies vying for market share in generic and specialty medicine sectors. For us, the focus on complex generics and niche therapeutic areas –leveraging our R&D capabilities and manufacturing excellence to deliver high-quality, affordable medicines – has been the differentiating factor.

Strategic objectives

We are is embarking on the journey towards achieving industry leadership and sustainable growth by 'Innovating, Excelling and Expanding'. This approach embodies our commitment to integrated offerings and R&D-led business diversification, enables our global clients to access the highest quality medicine while solidifying our position in the pharmaceutical industry.

Innovate

- Emphasis on integrated offering and R&D-led business diversification
- Invest in disruptive innovation

Excel

- Strong product portfolio
- Robust compliance and quality culture
- Advance and evolve sustainable R&D platform

Expand

- Build and optimise large-scale capacities while investing in high potential businesses
- Diversified customer base and market expansion
- Leverage significant technology overlaps and accelerate emerging services

Innovate

Emphasis on integrated offering and R&D-led business diversification

Leveraging our strengths in innovative chemistry and commercial excellence in small molecules, we have undergone a significant transformation and diversification. Starting with our initial success in ARV APIs, we have expanded to build a robust small molecule API business across multiple therapies. Our forward integration into formulations has positioned us as a full-spectrum pharmaceutical company, driven by accelerated investments in our CDMO division to enhance integrated service capabilities and advance our leadership position.

In the highly fragmented CDMO industry, we are committed to strengthening our process development capabilities and technical expertise. This approach captures new growth opportunities and ensures long-term business resilience. Through an integrated approach and continuous innovation, we provide the highest quality medicines and harness chemistry adjacencies to enter new markets.

FY24 progress

In FY24, we achieved a revenue of ₹5,041 crores, marking a 9% growth excluding a large order in the base year. This growth was driven by robust performance across our key pillars while stabilising ARV sales. Specifically, our CDMO-Synthesis core business reported a strong 24% growth, formulations increased by 24%, oncology API grew by 27%, and our biotechnology business expanded by over 28%.

We maintained healthy gross margins of around 52% and continued our commitment to capacity expansion. Our business development efforts resulted in securing a multi-year CDMO contract with a leading crop science company and a joint venture with KRKA. We also deepened cooperation with major CDMO clients on green and sustainable technology platforms, particularly in high-pressure hydrogenations, continuous flow chemistry, and bio-catalysis. We are currently engaged in multiple RFPs involving complex multi-step chemistry, large-scale bio-catalysis, and in-house enzyme manufacturing.

Over the past three years, we have made major investments in our manufacturing capabilities, along with the cultivation of a proficient talent base. These efforts will play an important role in driving the next wave of impactful growth and shaping a fully integrated value chain offering for us.

Invest in disruptive innovation

We are committed to supporting and nurturing industry-academia partnerships focused on pioneering disruptive innovations and therapies with the potential to improve patient outcomes. With a disciplined investment strategy, we aim to allocate up to 10% of our profits to such transformative technologies. Our focus areas include cell and gene therapy (CGT), innovative process devices, oral drug delivery technologies such as oral disintegrating films (ODF), and automation. This approach ensures that we advance in alignment with scientific prospects that fit our value proposition.

FY24 progress

We have strengthened our commitment to driving the next generation of manufacturing patient-specific and personalised therapies with the acquisition of four gene therapy assets from IIT. We also launched NexCAR19, India's first indigenously developed CAR-T cell therapy. Additionally, we have initiated the construction of a gene therapy manufacturing facility spanning 28,000 sq. ft., with GMP/GLP standards in Kanpur, expecting Phase 1 to be operational in FY25.

Our investments also include acquiring an additional stake in the cell therapy platform company ImmunoACT (increasing our ownership to 34%) while supporting the development of a 50,000 sq. ft. second GMP integrated CAR-T and Lentiviral vector facility. Furthermore, we have increased our stake in the precision fermentation platform company, Laurus Bio.

Strategic objectives

Excel

Strong product portfolio

We consistently emphasise a 'research-first' philosophy channelling investments into R&D with specific focus on manufacturing complex small molecule products – spanning both drug substances and drug products. This investment aims to secure market leadership by providing cost-effective and sustainable solutions to partners. We have also diversified our presence across various therapeutic domains, including ARV, diabetes, cardiovascular, hepatitis C, and oncology.

With backward and forward integration in the generics business, we command a competitive advantage in quality, speed, and cost, enabling us to adapt to market fluctuations. We are keen on growing the small molecules CDMO business and nutraceutical ingredients by capitalising on our expertise, aiming to expand partnerships with overseas drug companies and fortify relationships with Big Pharma.

FY24 progress

We have successfully launched over 80 products across drug substances and drug products, significantly expanding our portfolio. During this period, we filed 8 dossiers and received a total of 9 approvals, particularly targeting fast-growing therapeutic areas such as anti-diabetic, cardiovascular, and CNS treatments. Our R&D pipeline has been strengthened, aiming at an addressable market of over $48 billion. Additionally, we have enhanced our CDMO customer base, now serving a diverse array of clients across the US, EU, and Japan. Currently, we are managing approximately 70 active projects in various phases of development, along with 10 commercial projects.

Robust compliance and quality culture

We invested in the consistent enrichment of the workforce, the refinement of technologies, and the optimisation of processes. We have established a seamless integrated operating system comprising R&D, manufacturing, quality control, and project management. These operations align with the highest global industry benchmarks, embracing rigorous cGMP, Environmental Health and Safety (EHS) management and Quality Assurance (QA) systems.

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Advance and evolve sustainable R&D platform

We are committed to business expansion through a customer-centric approach, providing high-quality products and services. By continuously advancing our processes and utilising our R&D capabilities, we aim to build sustainable technologies that meet our customers' needs. With a strong technical foundation, we are furthering the development and production of small molecules for both clinical and commercial phases.

Key areas of focus include continuous flow reaction, enzyme/biocatalysis platforms, and precision fermentation-based solutions, all aimed at enhancing sustainability and efficiency.

FY24 progress

Our efforts have led to the development of new formulation technologies, such as oral extended-release products and advanced oral technologies like wurster-coated ER capsules. Our paediatric DTG application based on ODF technology received US FDA approval.

We have also invested in continuous flow technology, adding over seven projects and expanding commercial-scale CFR capabilities. In biocatalysis and fermentation, we enhanced our enzymatic platform, adding ten projects for green synthesis and expanding into artificial sweeteners. These initiatives have allowed us to access new markets and extend our integrated solutions into food, nutrition, pharma, and animal health sectors.

Expand

Build and optimise large-scale capacities while investing in high potential businesses

We have been enhancing our technical and commercial capacities to establish a robust foundation for future expansion. Our advanced manufacturing sites, built from the ground up, comply with stringent standards.

We have also continued to make targeted investments in large-scale manufacturing facilities to capitalise on opportunities in small molecules and other advantageous business areas. Our focus remains on scaling our high-potential, customer-centric CMO/CDMO business, including segments such as rare diseases, diabetes, and cardiovascular treatments. Simultaneously, we are reinforcing our operations with a strong emphasis on optimised delivery and efficiency.

FY24 progress

Through our integrated development and manufacturing capabilities across 12 production sites and 5 R&D centres, we have successfully empowered over 300 global clients, including 6 out of the top 10 innovators. In the past two years, we have seen a 30% increase in small molecule development and commercial-scale API capacity, reaching 7.8 million litres, including additions in our emerging service business. Our drug product capacity has doubled to 10 billion units annually.

Moving forward, we will optimise these newly added capacities to boost operating profits. In our CDMO business, we are enhancing our service capability for early-stage projects with the construction of an R&D centre (small molecules and high potent) on a 5-acre site, set to be commissioned by June 2024. Additionally, two GMP production plants for our emerging Animal Health business have started production, while two other units are in the build-up phase. We have also commenced the $40 million Phase I construction of a new GMP-grade microbial fermentation commercial facility in Vizag, aiming to operate it by June 2026. This will enable us to meet the demand for complex semi-synthetic project delivery to global innovators.

Diversified customer base and market expansion

Our ongoing efforts are centred on technological advancements, implementing them in large-scale manufacturing, and targeting efficiency improvements. We are also committed to continually deepening and expanding customer engagement. Upholding the principle of 'One Quality Standard for All Markets,' we are broadening our product portfolio and service capabilities, while enhancing our market presence among small, medium, and large pharmaceutical companies.

FY24 progress

We have established partnerships with six of the world's top ten pharmaceutical multinational companies, strengthening our market presence. Despite a 9% revenue growth in FY24, the revenue share from our top ten customers declined by 2 percentage points to 45% (excluding a large purchase order executed last year).

Over the past year, we have expanded our geographical presence and increased revenues across key markets, maintaining a steady revenue contribution of 44% from developed regions, including North America, Europe, and Japan.

Leverage significant technology overlaps and accelerate emerging services

We leverage our commercial experience to venture into new business territories and enhance cross-business synergies, particularly within the CMO and CDMO segments. By integrating technological overlaps and extending pharmaceutical technologies to markets such as animal health, agrochemical ingredients, consumer health, and specialty ingredients, we aim to enhance our delivery capabilities and rapidly diversify into new growth avenues.

FY24 progress

We have enhanced our operational systems and deployed synergetic resources with a strong focus on delivering emerging business projects and capability building. This approach has enabled us to commence commercial production for our Animal Health API project, where we are vigorously promoting DP technology with clients.

Currently, we have approximately 20 active projects across the value chain, including 4 validation production projects underway, and we are expanding our commercial AH block. Additionally, we have signed a multi-year development and manufacturing contract with a leading crop protection company, having already supplied registration batches from our pilot plant. The large-scale intermediate facility qualification is expected to be completed by the end of FY25.

ESG approach

We view responsible Environmental, Social and Governance practices as a crucial element of business strategy. Through the adoption of technologies like bio-catalysis and continuous flow chemistry, promotion of initiatives aimed at creating safe and equitable workspaces, and enforcing ethics and compliance in business practices, we advance ESG principles.

We are also proactive about obtaining system certifications, publishing an integrated report in line with the BRSR framework, diversifying into renewable energy with a stake in Ethan Energy India Pvt. Ltd., and evaluating climate risks. Our ESG strategy guides our commitment to sustainable and ethical business practices.

Consecutive 'BBB' rated by MSCI ESG Ratings in FY22, FY23, FY24

Committed to Science-based Targets in December 2023

Improved S&P CSA Score (Vs. 43/100 LY)

Scored well on the EcoVadis Rating with SILVER ratings

5th consecutive Certification

Environment

15,702 tCO_2
Reduction in Scope 1 emissions (steam generated through waste heat recovery from a neighbouring industry)

27,144 tCO_2
Reduction in Scope 2 emissions (through co-gen boiler used to generate electricity and renewable energy i.e. captive power)

100%
Sites ISO 14001:2015 certified

9%
Renewable energy consumption

Social

6,735
Employees

₹23.31cr
Investment in community and social projects

Zero
Lost Time Injury Rate

7.5%
Women in the workforce

Governance

14%
Women Directors

Zero
Cases of unethical business practices against the Company

57%
Independent Directors

11 years
Average Board tenure

- Unit 4 was recognised for 'Environmental Excellence' at the 23rd Annual Greentech Environment Award 2023
- We participated in several environmental protection initiatives, including the 'G20 - Jan Bhagidari - Mega Beach Clean-up event' under India G20 Presidency and the Green Walk organised by APPCB

Way forward

We plan to complete the implementation of an Energy Management System (EMS) in accordance with ISO 50001:2018 across all facilities in the near future. Additionally, several other environmental management projects are in the pipeline. These include the operationalisation of a solar project at Unit 2 and the adoption of biomass briquettes for Units 3 and 5 to reduce Scope 1 emissions.

Employees

Our employees play a foundational role in driving our success. We endeavour to create a culture of trust, performance, and camaraderie, empowering our team of 6,700+ employees to innovate, excel, and contribute to our mission of delivering outstanding healthcare outcomes.

Material issues

Occupational health and safety

Employee well-being and satisfaction

Talent attraction and retention

Learning and development/ skilling

Diversity and inclusion

Key risks

- EHS risk
- Operating risk

SDGs impacted

3 Good health and well-being; 4 Quality education; 5 Gender equality; 8 Decent work and economic growth; 10 Reduced inequalities

100%
Employees trained on code of conduct and ethics

Zero
Lost time injury frequency rate (LTIFR)

100%
Sites ISO 45001:2018 certified and assessed for health and safety practices

Great Place to Work certified organisation

Diversity and inclusion

We understand that a diverse workforce enriches our culture, expands our reach and enables us to transcend competition in the pharmaceutical industry. Therefore, we aim to cultivate an inclusive environment where every employee feels valued and empowered to contribute their unique perspectives and skills.

Fair recruitment practices

Our recruitment processes uphold the highest standards of fairness and equality, adhering to anti-discrimination laws and best practices. We make hiring decisions based on a candidate's qualifications and alignment with job requirements, ensuring that all applicants receive equal consideration.

Harassment-free workplace

We have enforced a zero-tolerance policy towards any form of harassment or discrimination. Educational posters and materials that outline our stance on 'Zero Tolerance to Sexual Harassment' are displayed across all sites, providing clear guidelines on how grievances can be reported and addressed.

Creche facility to support working mothers

We offer creche facilities at our manufacturing units and are expanding these services across all locations in collaboration with external experts. This initiative is a part of our broader commitment to women employee welfare and work-life balance.

Women's leadership initiatives

Recognising the industry-wide challenge of gender imbalance, especially in leadership roles, we have implemented targeted initiatives to support and develop women leaders within our organisation. Our ongoing efforts aim to elevate women's representation in our workforce in the coming years. This initiative is supported by gender-positive programmes and dedicated developmental efforts to ensure a balanced and equitable workplace.

Employee development

We recognise the direct correlation between our workforce's growth and our overall success. Building on our strong foundation from the previous year, we have further enhanced our learning and development initiatives, ensuring they are contemporary and aligned with evolving industry demands.

Onboarding and orientation

We have refined our introductory programmes to include updated organisational goals and the latest operational protocols, ensuring that the new hires are well-prepared to embrace their roles effectively.

Continuous professional development

We have introduced additional modules to our training programmes focusing on emerging technologies and innovative pharmaceutical practices to keep our workforce ahead in a highly competitive sector.

Performance management

Our performance management framework has incorporated frequent check-ins and agile goal setting in keeping with dynamic market conditions, enabling real-time performance adjustments and feedback.

Advanced leadership training

Our flagship leadership programmes, MANTHAN and the Management Development Programme (MDP), have included critical aspects such as digital transformation, sustainability, and remote team management as we adapt to a more digital and environmentally conscious marketplace.

Mentoring enhancements

'Sanchalak - The Guide' now features a more structured curriculum that addresses specific career milestones, with mentors receiving training on nurturing high-potential employees to foster a culture of leadership and innovation.

Employees

Employee well-being

We realise that our success is deeply intertwined with the health and happiness of our team. During FY24, we have taken measures to create a supportive and productive work environment.

Health and wellness programmes

Our partnership with the PRAAN Foundation has enhanced the scope of 'A Healthier and Happier You' Employee Assistance Programme (EAP). We have allocated additional mental health resources, including access to online mental health platforms and on-site mindfulness sessions, which have benefited over 50 employees. These resources are designed to address a wide range of issues from stress management to lifestyle challenges, ensuring our employees have the requisite support to thrive both personally and professionally.

Employee engagement and communication

We continue to strengthen communication channels through our established programmes, Laurus Labs IGNITE and SANCHALAKS. These platforms serve as vital links between our employees and the management. The annual Great Place to Work Survey - DARPAN reflects this positive engagement, showing marked improvements in job satisfaction and work environment, as evidenced by the enthusiastic participation of our employees in the survey.

Recognition and rewards

Our service awards programme now has a more personalised recognition experience for employees reaching significant tenure milestones. We have also lowered the eligibility threshold for the Employee Stock Ownership Plan (ESOP) to include those with two years of service.

Health and safety

Our facilities continue to adhere to the highest safety standards and maintain ISO 45001:2018 certification. Regular internal audits and dedicated EHSMS coordinators ensure our Occupational Health and Safety Management System (OHSMS) is effectively implemented and continually improved.

- We collaborated with DSS+ and implemented the SANKALP initiative to transform the safety culture, with Phase 1 completed and preparations for Phase 2 underway
- Multiple manufacturing units (Unit 2, Unit 4, and Unit 5) received the CII AP Industrial Safety Excellence Awards 2023
- Units 1 and 6 were honoured with the International Safety Awards 2023 from the British Safety Council
- The Safety Champion concept was implemented to strengthen line management responsibility and enhance the EHS inspection mechanism
- A third-party independent review of in-house safety audits across all sites was completed

Enhanced training and engagement

We have increased our health and safety training hours to empower employees with the knowledge and tools necessary for safe work practices. Our training programmes are tailored to address specific risks associated with various job roles – from basic safety protocols to specialised training for handling hazardous materials.

Proactive risk management

Our approach to safety extends through our robust Hazard Identification and Risk Assessment (HIRA) protocols. Each department actively participates in identifying potential hazards, ensuring that all levels of our organisation are engaged in maintaining a safe work environment. Standard operating procedures (SOPs) and operational control procedures (OCPs) are rigorously applied to maintain high safety standards across all operations.

Safety committees and collaborative governance

Safety committees across our units have been instrumental in fostering a culture of safety and collaboration. These committees are crucial in the ongoing monitoring and mitigation of workplace hazards, contributing to the prevention of work-related illnesses and injuries. Monthly safety meetings provide a platform for employees to voice safety concerns and share insights, enhancing our safety governance.

Incident management and continuous improvement

Incident reporting remains a critical component of our safety culture, with robust mechanisms in place to ensure timely reporting and investigation into all incidents. We have made our incident management processes more effective by introducing cross-functional teams that conduct thorough root cause analyses. These teams help us devise effective preventive measures and refine our risk management strategies.

Future goals

We plan to integrate more advanced technologies and data analytics into our safety programmes to predict potential hazards and prevent incidents before they occur. Our goal is to provide a safe and secure working environment for all employees.

Human rights and fair labour practices

The commitment of the pharmaceutical industry to global health extends beyond medicine production; it fundamentally supports the human right to health and dignity. We ensure that every phase of our operations — from sourcing materials to product distribution — respects and champions Human Rights and fair labour practices.

Our Human Rights policy guides our mission, reflecting international norms like the Universal Declaration of Human Rights, the ILO's Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights. We continuously reinforce this policy across our supply chain to guarantee compliance with these standards, focusing on the eradication of child and forced labour and promoting an environment of respect and dignity.

From clinical trials to product development, we prioritise informed consent, data privacy, and equitable treatment of all participants. We believe that ethical research practices are essential for innovation and trust in our industry. Although we do not have formal unions, we ensure our workforce can voice their concerns freely, without fear of repercussion, fostering an inclusive and open workplace culture.

Communities

We recognise that our success and sustainability are inseparably linked to the well-being of the communities we engage with. We place immense value in nurturing positive and productive relationships with community members who directly influence and enrich our business landscape. Our approach is aimed at contributing meaningfully to societal progress.

Material issues

Community engagement

Access and affordability

Biodiversity management

Key risks

- EHS risk
- Regulatory risk

SDGs impacted

₹23.31 cr
CSR spend

25+
Community programmes supported

Our corporate social responsibility (CSR) strategy, governed by the CSR Committee under the mandates of Section 135 of the Companies Act, 2013, guides our efforts to give back to the community. The focal areas – covering educational support, healthcare access, environmental sustainability, and the promotion of sports – are carefully chosen to ensure impactful interventions that can bring about substantial improvements in the quality of life of our community members.

Through collaborations with the Laurus Charitable Trust, implementation partners, and local NGOs and leaders, we ensure that our initiatives are well-aligned with community needs and are executed effectively. This ongoing dialogue helps us stay connected and responsive to the community, ensuring our actions yield beneficial outcomes for all stakeholders involved

Communities

Health and hunger eradication

Our contributions to healthcare and hunger eradication are significant. Through partnerships with the Pure Little Hearts Foundation and Hrudaya Foundation, we support efforts to provide healthcare services to underserved populations. We also contribute to projects like Anna Prasadam for eradicating hunger by Touch stone Charities, which helps address food insecurity. Additionally, our funding for the construction of community kitchens further strengthens our commitment to eradicating hunger.

Education

We are actively involved in enhancing educational infrastructure and providing quality educational opportunities. We support numerous initiatives, including financial aid for the Super 60 Coaching programme, construction of school buildings at Maqbulia, and renovation projects such as the IGIAIT Boys Hostel. Our commitment extends to the operational aspects of education, demonstrated by our support for teacher salaries and stipends for students at Gitam University, ensuring that educators and students alike have the resources they need to succeed.

Gender equality

Promoting gender equality is a key focus area, with our undertaking projects like the renovation of APSWR Girls Hostel and providing financial support for sewing machines under women empowerment programmes. These initiatives empower women by improving their living conditions and enhancing their vocational skills, paving the way for greater economic independence.

Environmental sustainability

Our environmental initiatives are designed to promote sustainability and enhance the ecological health of our communities. We are involved in the construction of public toilets and parks and garden adoption in Tirumala. These projects beautify the community while promoting environmental awareness and responsibility. Additionally, we are also actively contributing to the Utkarsh Global Foundation for environment awareness programme.

Sports and rural development

We provide financial assistance for ground renovations and sponsor individual athletes, helping foster a spirit of physical fitness and teamwork. We have also supported the enhancement of community infrastructure by deploying fogging machines in Dibbalapalem and providing garbage vehicles to Pudimadaka Gram Panchayat, which play a crucial role in improving sanitation and health standards.

Skill development and vocational training

The Laurus Skill Development Centre is a testament to our commitment to vocational training and education. This centre provides training and development opportunities that equip individuals with the skills necessary to thrive in the workforce, supporting economic development and community self-sufficiency.

Customers

We aim to advance global health through strategic partnerships, quality, and compliance. We cater to some of the world's leading pharmaceutical companies, necessitating the need to maintain high standards across diverse markets and ensuring sustained excellence in every facet of our operations.

Material issues

Product quality and safety

Protecting intellectual property rights

Ethical sales and responsible marketing

Cybersecurity and data privacy

Access and affordability

Key risks

- Regulatory risk
- Competition risk
- Innovation risk

SDGs impacted

8 DECENT WORK AND ECONOMIC GROWTH

121
Customer audits

Zero
Product recall

14
Regulatory audits

60+
Countries marked by our presence

Global reach and customer diversity

We pride ourselves for having a diverse and expansive customer base spanning government agencies, multinational pharmaceutical companies, pharmacy chains, animal health companies, leading personal care companies and crop science companies across a broad array of markets. With an extensive global footprint, we serve over 200 clients in 62 countries, establishing ourselves as a trusted partner of the top 90% of generic pharmaceutical giants globally. We also serve 6 out of the top 10 global innovator companies. This vast reach stems from our ability to meet complex and varied market demands while maintaining strong ties with industry players.

Product stewardship

We adhere to the 'One Quality Standard for All Markets' philosophy, ensuring consistent quality, efficiency, and safety across all product categories. Our facilities operate under stringent safety and quality standards and are equipped to deliver standardised excellence worldwide. This approach simplifies compliance with diverse statutory quality requirements and reinforces product integrity across the supply chain.

Customer engagement

Our experienced sales and marketing teams are instrumental in promoting, selling, and distributing our products globally. We leverage compliant cGMP facilities and a strong foundation in chemistry to offer CRAMS and CDMO services tailored to the specific needs of our clients. Through regular customer audits and continuous feedback, we refine our practices and enhance service delivery, ensuring that our solutions consistently meet the highest quality, regulatory, and cost-efficiency standards.

Compliance

We uphold the highest standards of regulatory compliance, as evidenced by our adherence to global norms and regular audits by prestigious international health authorities such as the USFDA, WHO Geneva, and ANVISA Brazil. These audits validate our commitment to maintaining exemplary standards in quality, safety, and compliance.

Suppliers

Our approach to supplier management is built on a foundation of responsible sourcing and ethical practices, ensuring that our entire supply chain reflects quality, integrity, and social responsibility. By engaging suppliers through regular reviews and meetings, we strengthen their contribution to our Environment, Health, and Safety (EHS) initiatives and ensure their offerings are beneficial to both parties.

Material issues

Responsible supply chain management

Ethical governance

Risk management

Key risks

- Capacity planning and optimisation risk
- Operating risk

SDGs impacted

₹2,432 cr
Raw material spend

68%
Raw material suppliers in India screened on ESG criteria (on spend basis)

100%
Supplier compliance rate (on spend basis)

100%
Supplier Assessment and Development Programme participation

Responsible sourcing and supplier engagement

We emphasise robust engagement with suppliers to uphold our commitment to Human Rights, labour rights, employee well-being, and environmental sustainability. Our CEO leads proactive efforts towards meaningful interactions with key suppliers – ensuring that their services align with our Environmental, Social, and Governance (ESG) goals.

100%

of our procurement team is trained on various aspects of sustainable procurement guidelines

Supplier policies and commitments

Our supply chain management is guided by two critical policies: the Sustainable Procurement Policy and the Supplier Code of Conduct. These policies are designed to align our suppliers, distributors, and technology partners with our ESG objectives and hold them to high ethical standards. Such an approach ensures that our supply chain practices comply with industry standards, reinforcing our commitment to responsible sourcing.

Supplier base and partnerships

Our supplier network – involved in procurement of key starting materials, packaging, capital and utility equipment, and logistics services – is extensive and sourced equally from local and international markets. In India, our supplier base is concentrated in Gujarat, Maharashtra, Andhra Pradesh, and Telangana but we have undertaken efforts to diversify sources and support domestic production initiatives like Make in India. This diversification helps us mitigate risks associated with single-sourcing and enhances our supply-chain resilience.

65

Tier 1 suppliers assessed as per raw material spend

Supplier assessment and development programme

We follow rigorous procedures, based on capacity, quality, and ESG criteria, to assess new suppliers before onboarding. It is evident from our sustainable supply chain questionnaire. This initial screening is only the beginning of a continuous assessment and development process, which includes annual evaluations and QA audits, now conducted offshore. These audits are crucial to ensuring that our suppliers meet our stringent standards for quality and ethical practices.

Supplier awareness

Our supplier code of conduct establishes strict standards across quality, environment, health, safety, labour, ethics, and management systems. We ensure these standards are transparent and accessible, requiring all suppliers to adhere to these principles to maintain alignment with our operational values and ethics.

Supplier nomination

We select suppliers based on a detailed evaluation of business risks. This process ensures that our supply chain is resilient, compliant, and capable of meeting our high standards for quality and ethical practices.

Supplier performance evaluation

To maintain our high standards, selected suppliers undergo thorough reviews, including a questionnaire as part of Laurus quality audits. This process helps us monitor and assess their performance consistently.

Supplier development

Following audits, we closely analyse the results and work collaboratively with our suppliers to formulate improvement plans. This approach helps refine their practices to meet our requirements, ensuring ongoing compliance and enhanced performance.

Environment

Our commitment to sustainability permeates all aspects of our operations. We focus on optimising energy consumption, reducing emissions, conserving water, and enhancing waste management and recycling. These efforts support compliance with environmental standards and help affirm our promise to the environment and community, reinforcing our role as a responsible leader in the pharmaceutical industry.

Material issues

- Climate risks and resilience
- Climate and environment management
- Toxic emissions
- Green chemistry
- Biodiversity management

Key risk

- EHS risk

SDGs impacted

3 Good health and well-being; 11 Sustainable cities and communities; 12 Responsible consumption and production; 13 Climate action; 17 Partnerships for the goals

9 %
Renewable energy consumption

22,884 tonnes
Waste recycled and reused

87,212 tCO_2
Scope 3 emission

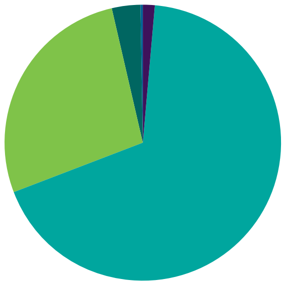
284,801 KL
Water recycled by treating steam condensate with reverse osmosis and mixed bed processes, which was then reused in boiler operations

Energy management

Our approach towards sustainable energy management involves diversifying our energy sources and improving energy efficiency across operations. Our energy portfolio includes coal, diesel, grid electricity, solar power, and steam from waste heat recovery, with coal and grid electricity being major contributors to our emissions. To address this, we are actively transitioning towards renewable energy sources and optimising energy usage across all facilities.

Central to our approach is the ISO 50001:2018 certified energy management system (EMS), which helps us systematically monitor, measure, and improve our energy performance. This system identifies high-energy areas, sets reduction targets, and implements energy-saving measures.

Energy mix



Key initiatives

- We have transitioned to LED lighting across all facilities, which reduces energy consumption and supports our sustainability objectives
- Solar panels with a cumulative capacity of approximately 1 MW have been installed at Units 1, 3, 6, and our R&D facility
- The implementation of Variable Frequency Drives (VFDs) and temperature controls in cooling towers has resulted in significant energy savings
- Upgrading to more efficient compressor models with radiator cooling has led to considerable reductions in energy usage
- The installation of movement sensors throughout our facilities has saved 131 GJ of energy annually

Goals

Our primary goal for FY25 is to reduce our energy intensity further. This reduction will be driven by a combination of strategies, including the improvement in energy efficiency throughout our processes and products. Additionally, we are committed to increasing our utilisation of renewable energy by installing solar panels at our operational sites. Concurrently, we aim to lessen our reliance on traditional energy sources by actively increasing our procurement of green energy from the grid.

Environment

Emissions management

Our efforts are structured around an extensive annual greenhouse gas (GHG) inventory that identifies emission hotspots and guides the prioritisation and implementation of reduction strategies. This inventory covers Scope 1, Scope 2, and selected Scope 3 emissions, enabling us to set reduction targets.

Scope 1 and Scope 2 emissions

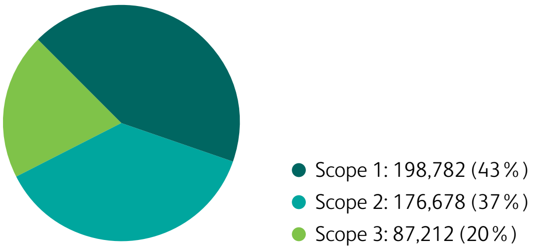
Our Scope 1 emissions originate from stationary combustion of fuels like coal and diesel, as well as fugitive emissions from various refrigerants. With our expanding operations, Scope 1 emissions have risen due to increased coal consumption.

Scope 2 emissions, derived from electricity procurement, have seen a decrease due to more sustainable practices, including a transition to generating our own electricity using co-generated steam.

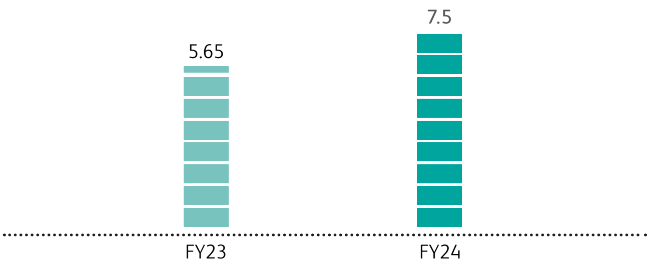
Scope 3 emissions and supply chain impact

Scope 3 emissions, which include indirect emissions from activities like transportation and the production of purchased goods, account for a significant portion of our carbon footprint. We are addressing these by localising our supply chain, which reduces the distances covered to procure raw materials and, consequently, emissions related to transportation.

Distribution of Scope 1, 2, and 3 emissions



Emission intensity (Scope 1 and Scope 2)



Key initiatives

- Completely eliminated coal usage at Unit 1, switching to steam from neighbouring industries for operational energy and electricity generation
- Acquired a stake in Ethan Energy India to utilise their solar-generated energy
- Installed additional solar power systems across several units, boosting renewable energy capacity and reducing reliance on grid electricity
- Equipped facilities with advanced pollution control technologies like electrostatic precipitators and multi-stage scrubbers
- Implemented real-time monitoring systems to ensure continuous compliance with national air quality standards and to facilitate immediate adjustments for enhanced emission control

Goals

As we advance, we remain firm on enhancing GHG reduction initiatives and further incorporating renewable energy into our operations. We continue to progress in managing emissions, ensuring our strategies align with global sustainability goals, and making a meaningful contribution to the global fight against climate change.

To support these objectives, we rigorously monitor all relevant emissions data and performance metrics, ensuring they are reported in accordance with recognised environmental standards. Each year, we set ambitious goals to reduce our energy intensity and emissions across all scopes.

Water management

We recognise the importance of responsible water stewardship and the need to optimise our freshwater use and enhance water efficiency throughout our operations. Our approach focuses on recycling and reuse technologies, ensuring water management practices that support both sustainability and operational needs.

Key initiatives

- We have implemented systems to manage and reduce water use across our facilities. During FY24, we consumed 964,759 KL of water and successfully recycled 284,801 KL using advanced treatment processes such as reverse osmosis (RO) and mixed bed treatments, reintegrating it into our boiler systems
- We have installed an electrolytic water treatment system specifically for our cooling towers to enhance water quality and recyclability
- Treatment and recovery of multimedia filter (MGF) backwash water is accomplished through sophisticated filtration systems, with the recycled water being used extensively for horticultural purposes within our premises
- We actively pursue opportunities to reuse waste steam from adjacent industries, converting what would be a waste product into a valuable resource for our operations
- Installation of flow restrictors in water lines, particularly in facility washrooms, helps in reducing water wastage, ensuring efficient usage across all touchpoints

Goals

Our ongoing goals for water management include further reducing our overall water consumption and increasing our recycling rate by the end of FY25. These targets are aligned with our broader environmental objectives to minimise our ecological footprint and promote sustainability within the community and ecosystems we operate.

Environment

Waste management

We aim for efficient waste management, ensuring that all waste types are treated and disposed responsibly. Guided by the principles of Reduce, Reuse, and Recycle, we manage a variety of waste streams including hazardous, non-hazardous, e-waste, and biomedical waste. By doing so, we comply with government regulations and minimise our environmental footprint.

Key initiatives

- Hazardous waste primarily consists of 13% Landfillable, 2% Incinerable, 10% Co-processing, 50% Re-cycled, and 25% Non Hazardous Waste. We collaborate with authorised vendors for the responsible disposal and recycling of this waste. A significant portion of this waste is sent for co-processing in cement plants, reducing the volume sent to landfills.
- We prioritise recycling and reuse across all non-hazardous waste streams, including organic waste from our facilities, which is composted on-site. In FY24, 51% of our total waste was recycled or reused.
- We also focused on the recovery of solvents from aqueous layers, previously disposed of as effluents. By partnering with specialised recovery agencies, we repurposed approximately 7,065 KL of wastewater.

Goals

We are setting ambitious targets to enhance our waste management strategies. A key focus is to increase the percentage of hazardous waste directed to co-processing up to 75%. This initiative aims to substantially reduce the amount of waste sent to landfills. Additionally, we plan to expand our solvent recovery initiatives, incorporating more solvents and increasing the volume of repurposed wastewater.

Biodiversity management

We understand the critical importance of biodiversity for ecosystem health and human well-being and ensure that such considerations are integrated into our decision-making processes. Our commitment to biodiversity management is aligned with the strictest legal standards and conservation practices.

Key initiatives

- We promote biodiversity conservation through awareness programmes within our workforce. Celebrations of days like World Environment Day and Biodiversity Day involve workshops and activities.
- Our collaboration with local environmental bodies, including the Andhra Pradesh Pollution Control Board, supports widespread community initiatives such as beach clean-ups and tree-planting campaigns. The "Green Visakha" initiative, in partnership with the Andhra Pradesh Government, has led to the planting of multiple trees, markedly advancing regional environmental efforts.

Goals

We aim to continue expanding our green initiatives, fostering a healthier planet through partnerships and community-focused actions. By setting quantifiable targets for our planting initiatives and enhancing our educational programmes, we strive to forge a path towards more impactful environmental stewardship.

Investors

We aim for transparency and value creation in a consistent manner. In doing so, we manage to obtain financial capital to sustain and expand our operations – strengthening our financial health, enhancing shareholder value, and navigating economic challenges while investing in sustainable health solutions that benefit both society and our stakeholders.

Material issues

Ethical governance

Risk management

Climate risks and resilience

Key risks

- Financial risk
- Regulatory risk
- Innovation risk
- Industry risk

SDGs impacted

8 DECENT WORK AND ECONOMIC GROWTH

17 PARTNERSHIPS FOR THE GOALS

₹5,041 cr
Revenue from operations

₹161 cr
Net profit

₹86 cr
Dividend Paid

19%
Dividend payout ratio

Financial performance analysis

In FY24, we demonstrated a resilient financial performance despite various market challenges. Our strategic initiatives, efficient management, and robust operational capabilities contributed to its overall financial health.

Revenue

We reported total revenues of ₹5,041 crores in FY24, a 17% decline from the previous year's ₹6,041 crores. This decrease was primarily due to the completion of a Purchase Order (PO) supply to a big pharma client in FY23. Excluding this impact, our core business growth was a robust 9%, driven by strong performance in the CDMO segment with a 24% increase, as well as solid contributions from the FDF and Bio divisions.

Profitability

We maintained a healthy gross margin of 51.7%, slightly down from 54.1% in FY23. The EBITDA stood at ₹798 crores, reflecting a 50% decline from the previous year, largely impacted by lower asset utilisation and upfront costs associated with growth projects and new initiatives. The EBITDA margin was 15.8%, down from 26.4% in FY23. Net profit for FY24 was ₹161 crores, an 80% decrease compared to ₹790 crores in the previous year.

Capital structure and liquidity

Our net fixed assets, including capital work-in-progress (CWIP), increased by ₹348 crores to ₹4,048 crores. This rise was mainly due to investments in the CDMO business, including a new R&D centre and manufacturing blocks in Hyderabad and Vizag. Net working capital decreased by ₹97 crores to ₹2,457 crores, with increases in inventories and accounts receivables partially offset by higher payables. Our total debt increased by ₹535 crores to ₹2,507 crores, primarily to fund key growth projects in the CDMO divisions and infrastructure-related investments. Despite this increase in debt, working capital loans remained largely stable.

Investors

Strategic investments and outcomes

We continue to make strategic investments to drive innovation and operational excellence. These investments are aimed at expanding our capabilities, enhancing our research and development efforts, and ensuring sustainable growth. Our focus on capital expenditure, research and development, employee benefits, and corporate social responsibility enables us to create long-term value for all stakeholders.

Capital expenditure

We have committed capital expenditure of ~₹700 crores (14% of revenues) to strengthen our infrastructure and capacity. A dedicated Animal Health (AH) facility became operational in November 2023, with commercial supplies expected by FY25. Additionally, a new R&D centre for small molecules and high potent APIs is set to be commissioned by Q2 FY25. The qualification of our Crop Protection unit by the end of FY25 and a $40 million fermentation-focused capex at Vizag and Mysore further illustrate our commitment to growth and innovation.

R&D expenditure

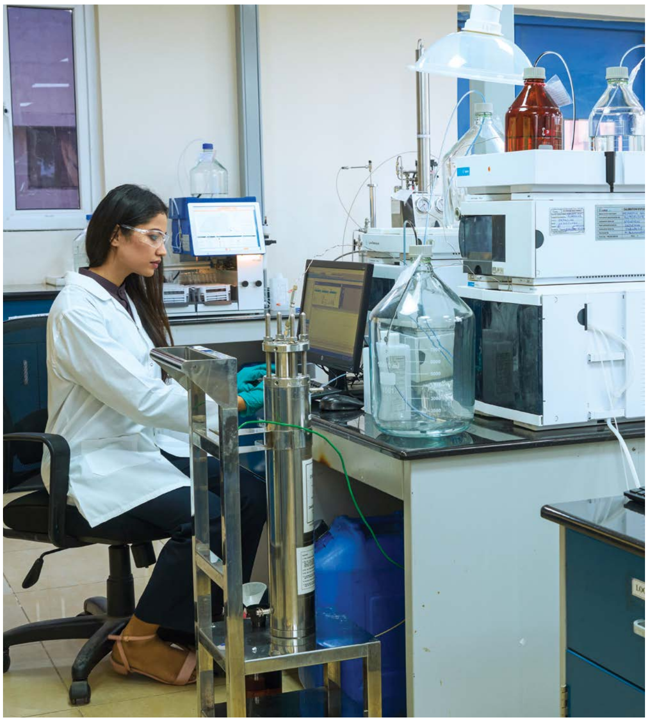
Our research and development expenditure of ₹241 crores is focused on advancing our capabilities and pipeline. The investments are geared towards supporting the development of new products and enhancing our existing offerings. Additionally, our focus on biocatalysis and continuous flow chemistry is expected to deliver innovative solutions to our clients.

Employee benefit expense

At Laurus Labs, we prioritise the well-being and development of our employees. Our electronic learning management system (LMS) is tailored to specific roles and responsibilities, ensuring continuous learning and skill enhancement. We have comprehensive induction programmes for new hires and specialised cGMP training sessions facilitated by qualified external trainers. The employee benefit expense for FY24 stood at ~₹639.93 crores.

CSR expenditure

We are committed to making a positive impact on society through its corporate social responsibility (CSR) initiatives. Our CSR expenditure of ~₹23.31 crores focuses on education, healthcare, and environmental sustainability. We have implemented various projects aimed at improving community health and education outcomes, as well as initiatives to enhance environmental conservation. By investing in these areas, we aim to contribute to the well-being of the communities we operate in and ensure sustainable development.



Corporate governance and regulatory compliance

Our approach to corporate governance extends beyond robust engagement with governmental and regulatory bodies. Prioritising long-term sustainability over short-term gains, we focus on strategies that drive sustainable growth and create lasting value for our stakeholders. Our governance policies emphasise total transparency, ensuring that all operations are conducted in a clear and open manner.

As a responsible pharmaceutical company, we strictly adhere to the laws of the land, which entails proactive engagement with lawmakers, statutory bodies, and industry regulators. This is crucial for conducting our business sustainably and staying informed about current and forthcoming changes in policies. We also ensure similar compliance at the local level.

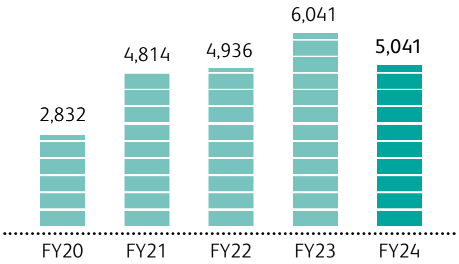
Our facilities also undergo periodic audits by global regulatory bodies such as the USFDA, WHO, and European agencies. We use advanced software systems to track regulatory changes and requirements.

Investors

Strength in numbers

Net sales

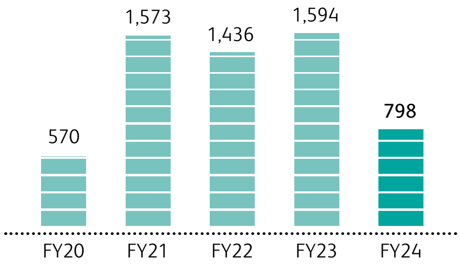
(₹ in crores)



Net sales decreased to ₹5,041 crores due to competitive pressures, which impacted overall revenue generation.

EBITDA

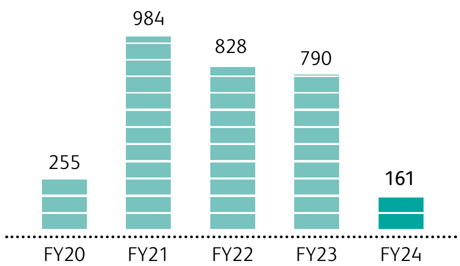
(₹ in crores)



EBITDA decreased to ₹798 crores, reflecting lower sales volumes and increased operational costs, which significantly impacted margins.

Net profit

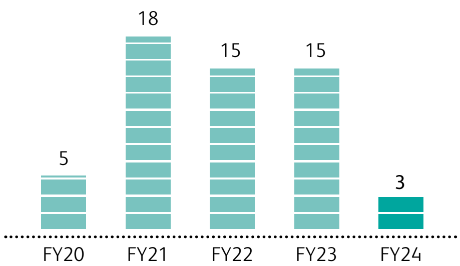
(₹ in crores)



Net profit dropped to ₹161 crores primarily due to reduced EBITDA margins and increased expenses related to strategic investments and expansions.

Diluted EPS

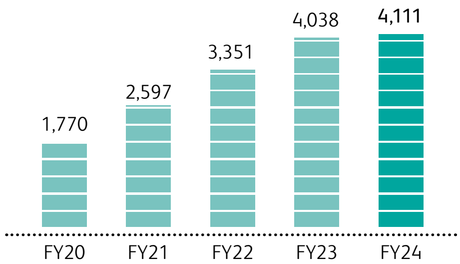
(₹)



Diluted EPS fell to ₹3, reflecting the decrease in net profit influenced by lower operational efficiency and increased costs.

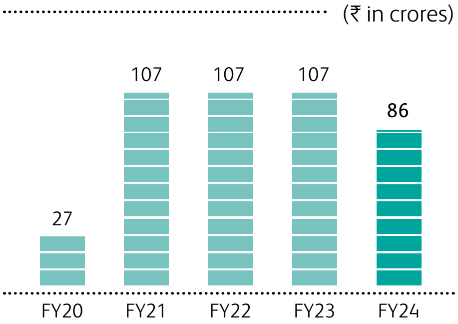
Net worth

(₹ in crores)



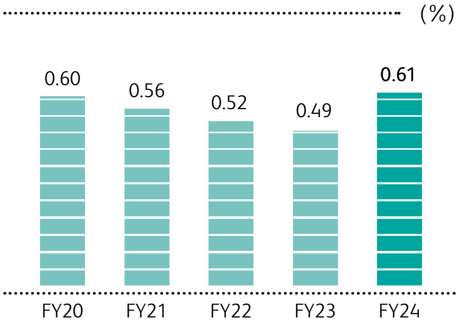
Net worth increased to ₹4,111 crores, supported by modest growth in retained earnings despite a challenging fiscal environment.

Dividend



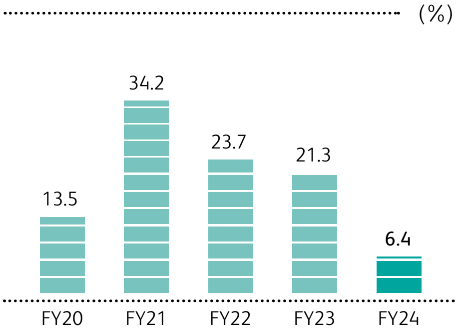
Dividend payments were reduced to ₹86 crores, aligned with the decrease in profitability and a strategic decision to retain more capital for future investments.

Debt-equity ratio



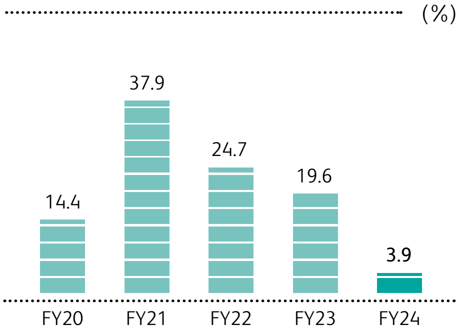
The debt-equity ratio increased to 0.61, indicating a higher level of debt financing used during the year for capital expenditures and operational needs.

Return on capital employed



Return on capital employed decreased to 6.4%, reflecting lower operational efficiency and profitability from the capital employed during the year.

Return on equity



Return on equity decreased to 3.9%, showing reduced profitability from shareholders' equity mainly due to lower net income.

Conducting business **responsibly**

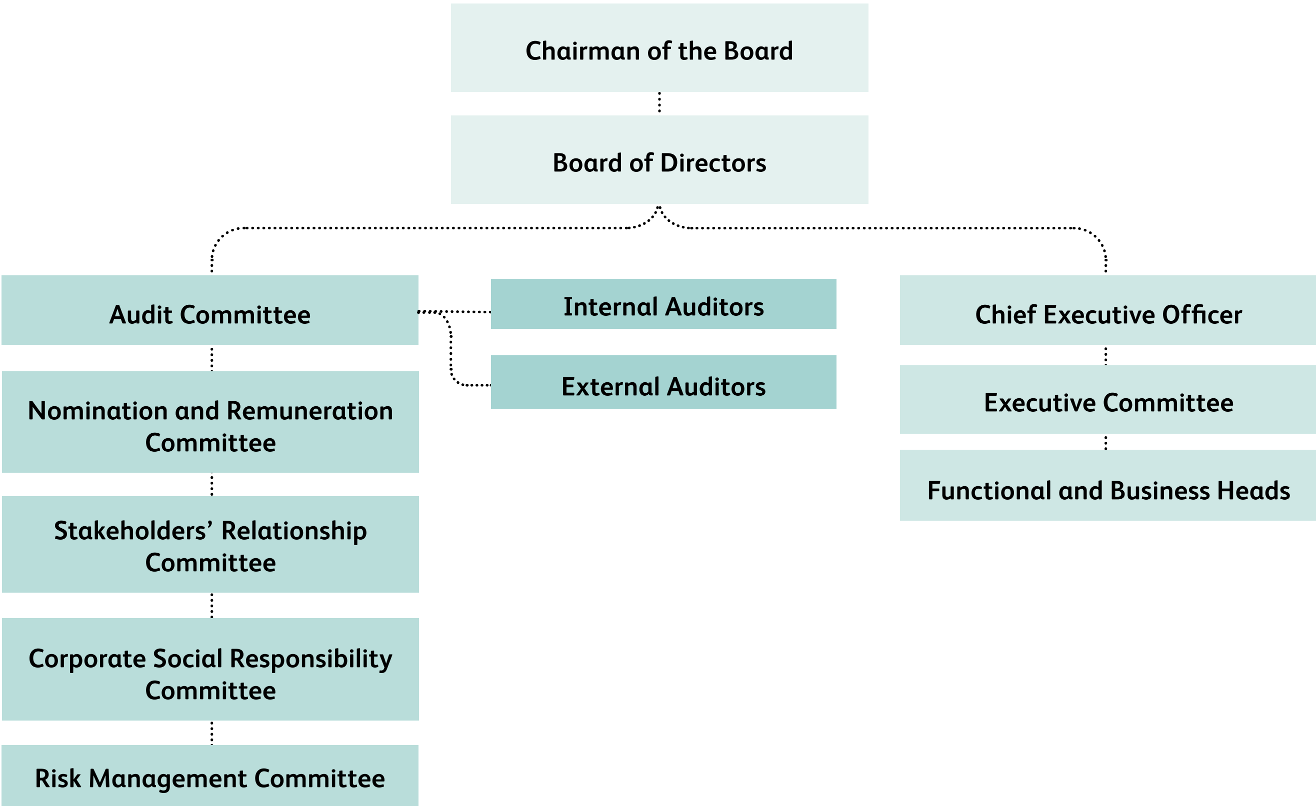
Our robust governance structure underscores ethical practices, transparency, and accountability. We proactively engage with our stakeholders, incorporating their insights and expectations to enhance our governance and operational strategies. This approach helps us navigate complex regulatory environments and foster trust and reliability among our customers, partners, and the communities we serve.

About the **Board***

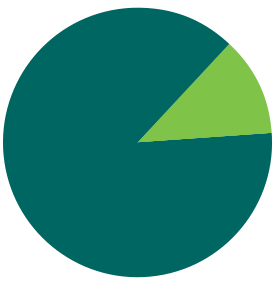
At the core of the Company lies a robust governance approach – the linchpin of our transparent, accountable, and ethical operations. This approach ensures adherence to regulatory mandates while safeguarding the interests of all stakeholders and minimising risks to navigate the path of sustainable growth.

Board composition and leadership*

Our Board of Directors combine Executive, Non-executive, and Independent Directors who contribute their deep expertise and insight. The Chairman, serving as both a Non-executive and Independent Director, leads with forward-thinking vision and fairness. The Board members, who have served notable tenures, are key to guiding us towards achieving our objectives, promoting a culture of honesty and long-term growth.

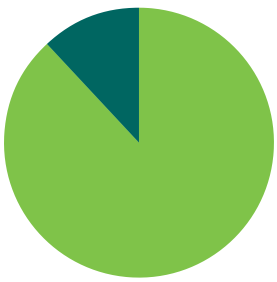


Board experience



- 14% 21-30 years
- 86% >30 years

Board age profile



- 86% 51-70 years
- 14% 70-90 years

* As on March 31, 2024

8
Board meetings held in FY24

93%
Attendance in Board meetings

Zero
Incidents of data breaches

57%
Board independence

14%
Women Directors

Ensuring robust oversight

Upholding higher than mandated standards, we boast a ratio of Independent Directors that exceeds the statutory requirement – with Independent Directors constituting more than 50% of the Board. This composition enriches the Board with fresh perspectives and independent oversight while amplifying accountability by ensuring a balanced evaluation of the strategic direction and operational tactics.

Skills and experience

Name of the Director						
Dr. MVG Rao	●	●			●	●
Dr. Satyanarayana Chava	●			●	●	●
Mr. V.V. Ravi Kumar		●	●		●	●
Dr. Ch.V. Lakshmana Rao				●	●	●
Dr. Rajesh Chandy	●	●			●	●
Dr. Ravindranath K	●				●	●
Mrs. Aruna Bhinge	●	●			●	●

● Pharma industry experience in sourcing, manufacturing, marketing and business development
● Accounting, financial, budget and costing expertise
● Legal and HR expertise
● Experience in quality
● Expertise in corporate governance
● Formulation of effective strategy

A governance approach rooted in stakeholder engagement

Our governance approach is engineered to cultivate a milieu where all stakeholders thrive. We endeavour to maintain the pinnacle of corporate governance, strengthening our repute as we scale new heights in the pharmaceutical landscape.

This governance architecture is about setting new benchmarks in corporate stewardship and creating a responsible, responsive, and resilient organisation that stands ready to embrace future challenges and opportunities in the healthcare domain.

Governance principles

Ethics and integrity

The Board upholds the highest standards of ethics and integrity. By taking an oath, Directors commit to adhering to the 'Code of Conduct', regulations, and policies while striving to embody behaviours consistent with the Company's values.

Responsible conduct

The Board recognises the Company's role in contributing to the growth and development of the communities where it operates. We are committed to being accountable for our environmental and societal impacts and to evolving our practices as new priorities emerge. Compliance with laws and regulations is fundamental to our corporate responsibility, and we strive to exceed the minimum requirements wherever possible.

Accountability and transparency

The Board is dedicated to carrying out credible and comprehensive financial and non-financial reporting, supported by a robust feedback mechanism. We prioritise stakeholders' interests and adhere to best practices in disclosures, ensuring our processes are subject to rigorous internal and/or external assurance and governance procedures.

Board of Directors*

Dr. Satyanarayana Chava
Executive Director and
Chief Executive Officer

Appointment
Dr. Satyanarayana Chava has been serving as an Executive, whole-time Director, and the Chief Executive Officer of the Company since January 21, 2006.

Skill and expertise
Dr. Satyanarayana Chava brings a wealth of knowledge and leadership to his role as CEO, driving growth for the Company. His deep scientific background and extensive experience in research have been pivotal in driving innovative solutions and enhancing the Company's market position. His vision and leadership ensure our continued success and advancement in a competitive landscape.

Qualifications
Dr. Chava holds both bachelor's and master's degrees in science from Andhra University. He furthered his studies as a research scholar at the College of Science and Technology, Andhra University, from 1985 to 1992, culminating in earning his Ph.D. in 1992. He has also completed an Executive MBA (PGPMAX) at the Indian School of Business (ISB), Hyderabad, in 2012.

Current external appointments
- Chemiasoft Private Limited (formerly known as Laurus Infosystems (India) Private Limited)
- Laurus Bio Private Limited
- Pharmaceuticals Export Promotion Council of India
- ImmunoAdoptive Cell Therapy Private Limited
- KRKA Pharma Private Limited

Mr. Ravi Kumar V V
Executive Director and
Chief Financial Officer

Appointment
Mr. V V Ravi Kumar has been serving as an Executive, whole-time Director, and Chief Financial Officer of the Company since November 30, 2006.

Skill and expertise
With extensive expertise in finance and human resources, Mr. Ravi Kumar plays a critical role in steering the Company's financial strategies and HR policies. His adept leadership in handling the supply chain management department has contributed to optimising our operational efficiencies and supply chain processes.

Qualifications
Mr. Ravi Kumar holds a Master of Commerce (M. Com) degree and is a certified Cost Accountant (ICWAI).

Current external appointments
- Laurus Bio Private Limited
- KRKA Pharma Private Limited

Dr. Lakshmana Rao C V
Executive Director – Quality

Appointment
Dr. C V Lakshmana Rao joined the Company in February 2007 and has been a guiding force ever since.

Skill and expertise
Dr. Rao brings a vast reservoir of knowledge with over 23 years of experience in quality control, quality assurance, and regulatory affairs. As the head of the Quality function, he oversees the stringent standards that define our products and services. His leadership has led to the formulation and execution of the core strategy of the Company.

Qualifications
Dr. Rao holds a master's degree in science and a Ph.D. from Andhra University. His academic background lays a solid foundation for his expertise and authority in the field of quality management and regulatory compliance.

Current external appointments
Sriam Labs Private Limited

* As on April 25, 2024

Mr. Krishna Chaitanya Chava
Executive Director – Synthesis

Appointment

Mr. Krishna Chaitanya has been associated with the Company since 2017 and was appointed as Executive Director on April 25, 2024.

Skill and expertise

Mr. Krishna Chaitanya Chava brings over a decade of experience in strategic management, business development, and project management. His leadership in the Synthesis division since 2017 has been instrumental in driving business diversification within CDMO-Synthesis, transforming it into the top profit generator for the Company. His strategic insights and effective management practices have contributed to the division's ongoing success and its potential for future growth.

Qualifications

Mr. Chava holds a Master of Mechanical Engineering from North Carolina State University, obtained in 2013. Further, he also completed a PGP MFAB from the Indian School of Business, Hyderabad. Prior to his tenure at Laurus, he gained experience at Dr. Reddy Laboratories, focusing on Domestic Formulations Strategy, which has provided him with a robust foundation in the pharmaceutical industry.

Current external appointments

- Laurus Synthesis (LSPL)
- Sriam Labs
- Chemiasoft
- Laurus Specialty Chemicals

Ms. Soumya Chava
Executive Director – Generics

Appointment

Ms. Soumya Chava has been serving as Director since 2021 at Laurus Synthesis Private Limited, a wholly owned subsidiary of Laurus Labs. She was appointed as Executive Director of Laurus Labs on April 25, 2024.

Skill and expertise

Ms. Soumya Chava possesses a blend of skills in supply chain management and business development, particularly in the generics market. As the Head (Commercial) at Laurus Labs since August 2023, she has quickly established herself by implementing global procurement strategies and leading numerous commercial engagements. Additionally, she effectively manages the Company's CSR initiatives, showcasing her versatile leadership.

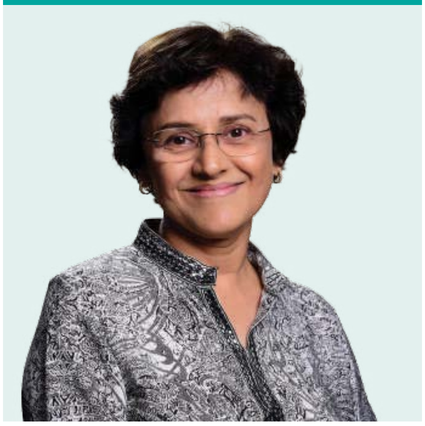
Qualifications

Ms. Chava holds a Bachelor of Pharmacy degree from Osmania University (2007), a master's in clinical research and business administration from Campbell University, NC, USA (2007-2010), and a Postgraduate Diploma in Patents Law from Nalsar University of Law, Hyderabad (2011). This ensures deep expertise across both scientific and managerial domains.

Current external appointments

- Laurus Synthesis Private Limited (LSPL)
- Theia Jewellery Private Limited

Mrs. Aruna Bhinge
Non-executive Independent Director



Appointment

Mrs. Aruna Bhinge has been serving as Director since 2016.

Skill and expertise

Mrs. Aruna Rajendra Bhinge brings over 19 years of specialised experience in food security and strategic planning to her role as a Non-Executive, Independent Director of the Company. Her knowledge and leadership in these areas have contributed to shaping policies and practices in the APAC region. Her expertise is particularly noted in her work at Syngenta India Limited, where she led the Food Security Agenda, orchestrating initiatives that aimed at enhancing agricultural output and sustainability across Asia-Pacific.

Qualifications

Mrs. Bhinge holds a bachelor's degree in science from the University of Poona and a master's degree in science from the University of Bombay. Further enriching her scientific background, she attained a master's degree in management studies from the University of Mumbai, which equipped her with management skills and an understanding of complex organisational dynamics.

Current external appointments

- Mahindra Agri Solutions Limited
- Punjab Chemicals and Crop Protection Limited
- Mahindra EPC Irrigation Limited
- Laurus Bio Private Limited

Board of **Directors***

Dr. Rajesh Koshy Chandy
Non-executive Independent Director

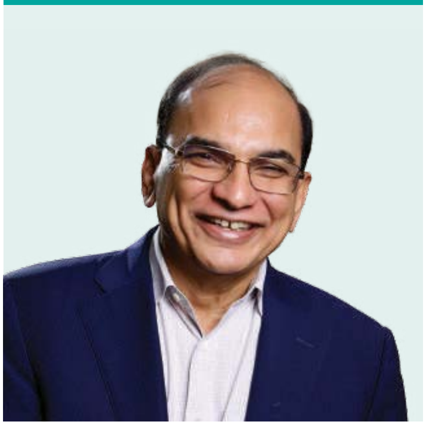
Appointment
Dr. Rajesh Chandy has been serving as Director since 2016.

Skill and expertise
Dr. Rajesh Koshy Chandy is distinguished for his expertise in marketing and entrepreneurship. As a Non-executive, Independent Director of the Company, Dr. Chandy brings his vast academic and practical knowledge to these fields, enhancing our business operations. His contributions are informed by his extensive research and teaching experience in consumer behaviour and market dynamics - making him an asset to our Board.

Qualifications
Dr. Chandy holds a bachelor's degree in engineering, specialising in Electronics and Communications, from Madurai Kamraj University. He furthered his studies with a master's degree in business administration from the University of Oklahoma, and a Ph.D. in Business Administration from the University of Southern California.

Current external appointments
Dr. Chandy is a professor of marketing at the London Business School, where he also holds the prestigious Tony and Maureen Wheeler Chair in Entrepreneurship.

Dr. Ravindranath Kancherla
Non-executive Independent Director and Chairman of the Board (from May 18, 2024)



Appointment
Dr. Ravindranath has been serving as Director since 2017.

Skill and expertise
Dr. Ravindranath Kancherla is a globally acclaimed expert in Surgical Gastroenterology and Laparoscopic Surgery. As the leader of Global Hospitals Group, he founded India's premier hospital exclusively focused on Gastroenterology and a state-of-the-art centre for complex organ transplantations. His extensive surgical prowess includes liver, pancreatic, and bile duct resections, as well as advanced gastric and reconstructive coloproctology procedures. Renowned for his surgical acumen, Dr. Kancherla has played a role in advancing the field of minimally invasive surgery. Under his guidance, over 700 surgeons have been trained in laparoscopic procedures.

Qualifications
Mr. Kancherla holds an MBBS and a master's degree in surgery from Madras University, as well as Fellowships from the UK Royal College of Surgeons (FRCS) in both Glasgow and Edinburgh.

Current external appointments
- Penna Cement Industries Limited
- Global Hospital (North) Limited
- Hygieia Global Health Services Private Limited
- Global University Foundation
- Global Hospitals Private Limited
- Ravindranath Medical Foundation
- Global Hospitals Hyderabad Private Limited
- CognitiveBotics Technologies Private Limited
- Global Medlabs Private Limited
- ImmunoAdoptive Cell Therapy Private Limited

Mr. Karnam Sekar
Non-executive Independent Director

Appointment
Mr. Karnam Sekar was appointed as Director on April 25, 2024.

Skill and expertise
Mr. Karnam Sekar is a business leader with over four decades of experience in the Financial Services industry, specialising in Corporate Finance, Treasury Management, and Stressed Asset Management. His tenure at State Bank of India saw him handling significant portfolios, including Chief Credit Officer and Chief Sustainability Officer. At Dena Bank and Indian Overseas Bank, he played a critical role during challenging times, such as managing a three-way merger and returning the bank to profitability after prolonged losses.

Qualifications
Mr. Sekar holds a B.Sc (Ag), a CAIIB, and a Diploma in Management from AIMA. He has also earned diplomas in Financial Services and participated in leadership development programmes from prestigious institutions including IIM Calcutta, ISB Hyderabad, and Kellogg's Management School, Chicago.

Current external appointments
- UGRO Capital Limited
- InCred Financial Services Limited
- InCred Holdings Limited
- InCred Prime Finance Limited

* As on April 25, 2024

Management **team**

Dr. V Uma Maheswer Rao
President – Chemical R&D

With over 30 years of experience in process R&D and API manufacturing, Dr. Rao currently holds directorships at Laurus Bio Private Limited and Sriam Labs Private Limited.

Key qualifications

Ph.D. in Chemistry from Osmania University

Mr. Srinivasa Rao S
President – Manufacturing and Operations

With 29 years of experience in production planning and the execution of manufacturing processes, Mr. Rao is a director at Sriam Labs Private Limited.

Key qualifications

Master's degree in chemistry from Nagarjuna University

Mr. Martyn Oliver James Peck
Executive Vice President – Business Development

Mr. Peck has 25 years of experience in sourcing, purchasing, sales, and market intelligence.

Key qualifications

B.Sc. in Biological & Medicinal Chemistry from the University of Essex

Mr. Thomas Versosky
President – FDF, North America

Mr. Versosky has 19 years of experience in the US generics market, covering commercial operations, portfolio management, business development, licensing, and acquisitions. He is a director at Laurus Generics Inc.

Key qualifications

B.Sc. in Business from the University of Phoenix

Management **team**

Mr. Rajaram Iyer
Executive Vice President – Portfolio Management

With 26 years of expertise in strategic planning, portfolio management, and new business initiatives, Mr. Iyer holds directorship at Laurus Bio Private Limited.

Key qualifications
Master's degree in analytical chemistry; EGMP from IIM-Bangalore and MBA (Operations Research)

Mr. Ch. Sita Ramaiah
Executive Vice President – Finance

Mr. Ramaiah has 23 years of experience in treasury, financial reporting, MIS, and taxation. He holds directorships at Laurus Synthesis Private Limited, and Laurus Specialty Chemicals Private Limited.

Key qualifications
Fellow member of the Institute of Chartered Accountants of India (ICAI)

Mr. S. Srinivas Rao
Executive Vice President – Manufacturing

Mr. Rao has 28 years of experience in production and manufacturing.

Key qualifications
Master's degree in chemistry from Shridhar University, Rajasthan

Mr. Narasimha Rao DVL
Executive Vice President – Synthesis

With 30 years of experience in the pharmaceutical field, Mr. Narasimha Rao holds directorship at Laurus Synthesis Private Limited (LSPL).

Key qualifications
Master's degree in science from Nagarjuna University

* As on April 25, 2024

Mr. Narasimha Rao Chava
Executive Vice President – Human Resources

Mr. Chava brings 28 years of experience in administration and human resources functions. He holds directorship at Laurus Synthesis Private Limited (LSPL).

Key qualifications

Master's degree in arts from Andhra University

Mr. Ch. Venkata Ramana Rao
Senior Vice President – Intellectual Property Management

Mr. Rao holds 28 years of experience in process development, IP management, and litigation.

Key qualifications

Master's degree in chemistry; PG Diploma in Patent Law from IIPS and LLB from Osmania University

Mr. Giridhar M
Senior Vice President – Quality Assurance

Mr. Giridhar has 32 years of experience in the quality function.

Key qualifications

PG Diploma in Computer Applications from Osmania University and PGDCA-QM from the University of Hyderabad

Mr. Sumeet Sobti
Senior Vice President – Supply Chain Management

Mr. Sobti brings 28 years of experience in supply chain management.

Key qualifications

B. Pharmacy from Jamia Hamdard University, Delhi

Governance **approach**

Our culture is defined by ethical integrity, responsible conduct, and strong governance. Our Code of Conduct and policies serve as the foundation for our decision-making and interactions. These guidelines are ingrained in our corporate ethos, ensuring that we conduct business responsibly and with respect for Human Rights.

Code of conduct

At Laurus Labs, the pillars of integrity, honesty, and ethical behaviour are reinforced by our Code of Conduct (CoC), which, alongside our core values, serves as a guiding beacon. We uphold stringent ethical standards that ensure responsible governance and integrate environmental, social, and governance (ESG) principles into every facet of our operations. We continually refine these policies to stay in line with industry best practices and ensure their seamless application across our business.

To guarantee adherence to the Code of Conduct and manage potential conflicts of interest, we employ consistent communication methods. These include induction training for new hires, annual refresher courses for the staff, and continual awareness creation through regular emails. It is essential for everyone in our organisation, including trainees, contractors, and Directors, to understand and commit to these standards. Adherence to the Code of Conduct is also integrated into our employee performance evaluations, creating a culture of ethics and integrity across the Company.

Respecting human rights

Our commitment to human rights is demonstrated through rigorous policies that prohibit child, adolescent, and forced labour, as well as discrimination and harassment in any form. We promote gender equality and ensure that all employees are treated with the highest dignity and respect. Our zero-tolerance approach extends to all forms of discrimination, whether based on race, ethnicity, gender, sexual orientation, age, religion, or disability. Read more on page 51.

Whistleblower policy

Our whistleblower mechanism provides a secure platform for stakeholders to report any misconduct or unlawful activities that could negatively affect our reputation or financial stability. Reports can be made confidentially via email to wbed@lauruslabs.com, ensuring the whistleblower's identity is protected under all circumstances. The audit committee is charged with overseeing these reports and enforcing disciplinary measures if necessary.

Grievance-handling policy

A robust grievance redressal mechanism is vital to effective governance and employee well-being. We provide multiple channels to employees to express concerns, including suggestion boxes, direct access to department managers, HR, and management, as well as through grievance-handling registers and exit interviews. For more information, please refer to the grievance redressal policy on our website.

Data privacy policy

Our operations frequently handle sensitive information, including patient data, research findings, and proprietary data. Therefore, we adhere strictly to our data privacy policy. This policy outlines our principles for processing and protecting personal data responsibly.

Reporting breaches

Our commitment to transparency and integrity involves reporting of incidents across various domains such as corruption, bribery, harassment, breaches of confidentiality, conflicts of interest, money laundering, and insider trading. Our approach ensures all stakeholders are informed of any issues and the steps taken to address them.

Risk **management**

We operate within a highly regulated pharmaceutical industry, making risk governance essential to maintaining the safety, efficacy, quality, and compliance of our products. The Board of Directors is ultimately responsible for overseeing our risk management strategies and defining the organisation's risk appetite.

The Risk Management Committee, which includes executive, non-executive, and independent directors oversees, guides, and provides assurance on risk-related issues. This committee develops, monitors, and refines the organisation's risk management policies and regularly reports back to the Board on its findings and activities.

The Audit Committee assists the Risk Management Committee by ensuring that risk management controls and systems are effective and functioning properly. This is complemented by thorough reviews conducted by our internal audit team and external audit partners who perform structured and periodic assessments of our risk management processes.

Enterprise risk management framework

Our enterprise risk management framework is structured to identify, assess, manage, and mitigate risks at all organisational levels. It includes a systematic process for risk identification, assessment, and prioritisation, which empowers us to make informed decisions, allocate resources efficiently, and strengthen our overall resilience. This approach is integral to our ability to navigate uncertainties and align with our long-term strategic goals.

Risk management framework

Identify risks	Define risk appetite	Assess and quantify	Respond, manage, and mitigate	Monitor and review
We have a systematic process to identify risks across the organisation, involving stakeholders at all levels and incorporating both internal and external expertise to ensure comprehensive risk coverage.	Our clearly defined risk appetite guidelines specify the acceptable level of risk, guiding the management and employees in their risk-taking and decision-making processes.	We use various techniques like scenario analysis, risk registers, and key risk indicators to assess and prioritise risks. This structured approach helps us understand the potential impacts of risks on our objectives.	Our response to identified risks includes stringent quality control, robust pharmacovigilance programmes, strict regulatory compliance, and business continuity plans to mitigate risks.	Continuous monitoring and review of risks help us detect changes in their likelihood or impact. We maintain robust risk-reporting mechanisms to keep the Board and management informed, facilitating proactive risk management and effective mitigation strategies.

Risk management

Brief overview of risks

Risk	Mitigation measure	Impact
Operational		
Capacity planning and optimisation risk Inadequate capacity may compromise our ability to adapt to changing customer demands, potentially impacting our profit margins.	Our business team diligently monitors product trends to guarantee sufficient capacity to meet demand. We maintain robust systems to regularly assess plant capacity and advocate for improvements in production practices. This includes implementing preventive maintenance plans and considering plant redesigns if frequent issues occur.	F M H 1 2 6
Operating risk Failure to effectively manage vendor-cum-customer relationships could negatively impact our revenue streams.	We actively implement an action plan to mitigate vendor risks from both geographical and single-source perspectives. Despite challenges in the business environment, we have successfully sustained robust relationships with our vendors and customers. This approach fosters organisational stability and predictability. Additionally, our enduring partnerships with major global and domestic pharmaceutical companies help ensure consistent revenue visibility.	F M H S 1 2 5 6
Environment, Health and Safety (EHS) risk Our business operations are subject to a variety of stringent health, safety, and environmental regulations enforced by governmental and non-governmental organisations worldwide.	We have intensified our commitment to energy sustainability and the rigorous enforcement of our safety culture programmes, which include specific behavioural requirements. For high-risk sites, we conduct detailed process-safety audits to ensure the safety of our manufacturing processes.	H N S 1 3 4 6
Strategic		
Industry risk A downturn in the industry could adversely affect the Company's performance.	We maintain a strong presence in major global pharmaceutical markets and conducts regular risk assessments. Additionally, we are developing a business continuity strategy aimed at minimising risks associated with our procurement, production, and distribution processes.	F I 2 5 6
Competition risk Intense competition in both domestic and international markets could diminish our market presence.	To counteract this risk, we are expanding economies of scale across manufacturing, distribution, and procurement to maintain a cost advantage. We are also deepening long-term relationships with key customers by delivering superior quality and service. Further measures include implementing cost-reduction strategies and improving the efficiency of our manufacturing operations. Additionally, we are investing in R&D to decrease raw material usage and enhance productivity.	F I S 2 5 6
Innovation risk The absence of niche products and innovative processes could hinder our growth rate.	We leverage our robust R&D capabilities and a proven track record in the development, approval, and commercialisation of niche products and processes. Our expertise in advanced chemistry, process optimisation, and a specialised product portfolio underpins our strong global presence and market leadership.	I H 1 5 6

Risk	Mitigation measure	Impact
Financial		
Foreign exchange rate risk Our expenditure and investments are primarily made in Indian currency, while our revenues are diversified across various international currencies. This exposes our net expenses, future investments, and other income to potential vulnerabilities due to fluctuations in exchange rates.	To safeguard against currency fluctuations, we have implemented a robust currency hedging strategy. We continuously assess and utilise derivatives to manage and mitigate the risks associated with currency exchange rate volatility.	F 2 5 6
Compliance		
Regulatory risk The pharmaceutical industry is stringently regulated and subject to ongoing oversight by various regulatory authorities. Failure to obtain the necessary manufacturing approvals could disrupt business operations.	We ensure rigorous compliance with regulatory standards and maintain open communication with regulatory bodies. Our regulatory affairs team works to secure all necessary approvals, safeguarding our manufacturing processes and ensuring uninterrupted business operations.	F S I 2 3 5 6

F Financial capital
M Manufactured capital
I Intellectual capital
H Human capital
S Social and relationship capital
N Natural capital

1 Employees
3 Communities
5 Customers
2 Suppliers
4 Environment
6 Investors

Management **Discussion and Analysis**

Economic overview

Global

In 2023, the global economy has displayed immense resilience, achieving a stable growth rate of 3.2%. Despite facing challenges such as geopolitical tensions, supply chain disruptions, and an energy crisis, the economy has maintained its strength and stability. This steady performance is projected to continue through 2024 and 2025.

Inflation pressures, which peaked earlier in the year, were effectively managed through synchronised monetary policy tightening across the globe. This approach helped avert a potential recession. Global inflation is forecast to decline steadily, from 6.8% in 2023 to 5.9% in 2024.

The United States, in particular, surged past its pre-pandemic economic output, strengthened by employment growth and consumer spending. This economic vigour was supported by government spending and a surprisingly positive labour market response, including an increase in labour force participation due to heightened immigration.

At the same time, Europe's economic landscape in 2023 tells a different story, marked by more modest growth. The region faces challenges from past high energy costs and the ongoing impacts of tight monetary policies which have stifled economic dynamism. However, consumer and government spending are expected to boost critical sectors slowly but steadily.

While some emerging markets have outperformed expectations following robust domestic demand and improved trade dynamics, many developing economies continue to grapple with the dual pressures of high inflation and increased external debt. This financial strain limits their ability to invest in essential sectors like healthcare and infrastructure, critical for sustainable growth.

Particulars	Estimates	Projections	
	2023	2024	2025
World Output	3.2	3.2	3.2
Advanced Economies	1.6	1.7	1.8
United States	2.5	2.7	1.9
Euro Area	0.4	0.8	1.5
Japan	1.9	0.9	1.0
United Kingdom	0.1	0.5	1.5
Canada	1.1	1.2	2.3
Other Advanced Economies	1.8	2.0	2.4
Emerging Market and Developing Economies	4.3	4.2	4.2
China	5.2	4.6	4.1
India	7.8	6.8	6.5

3.2%

Global economic growth rate FY23

Outlook

As the world steps into 2024, global economic growth is expected to hold at an even keel, consistently at about 3.2%. Technology and innovation are expected to play a pivotal role, particularly as businesses and governments leverage digital transformations to enhance efficiency and accessibility. This shift is likely to stimulate economic activities in sectors that capitalise on technological advancements, such as automation and artificial intelligence, potentially reshaping labour markets and productivity patterns globally.

Furthermore, demographic changes will increasingly influence economic outcomes. Aging populations in advanced economies and youthful demographics in developing regions will require different policy focuses—from pension reforms and healthcare enhancements in the former to education and job creation in the latter. These demographic shifts will also affect consumer patterns, housing markets, and social services, presenting both challenges and growth opportunities.

Geopolitically, the global economic landscape may see increased fragmentation as nations pursue more localised economic policies and reduce dependency on global supply chains. This reorientation towards regional trading partnerships and localised manufacturing could reshape trade dynamics and influence where and how companies invest and operate. (Source: IMF)

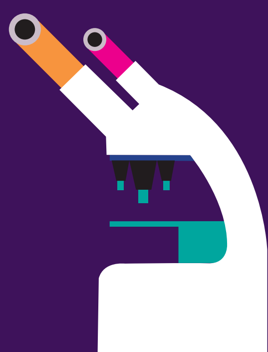
India

India has continued on a path of sustained growth through FY24, with a GDP growth rate of 8.2%. This is driven by robust domestic consumption and manufacturing growth. The nation's economic vigour is further supported by government-led initiatives such as the Ayushman Bharat Yojana, the government's thrust on infrastructure and the overall positive market sentiment. The latest Purchasing Managers' Index (PMI) has surged to 62.2, the strongest in 14 years.

Although retail inflation came down to 4.85% by the end of FY24 and remained within the RBI's tolerance band of +/-2 percentage points, it remained above the long-term target of 4%. Even as specific commodity prices surged, sectors linked closely to consumer goods, which share a symbiotic relationship with pharmaceutical production and distribution networks, adapted efficiently to these inflationary pressures. This has fostered an environment conducive to long-term investment and spending.

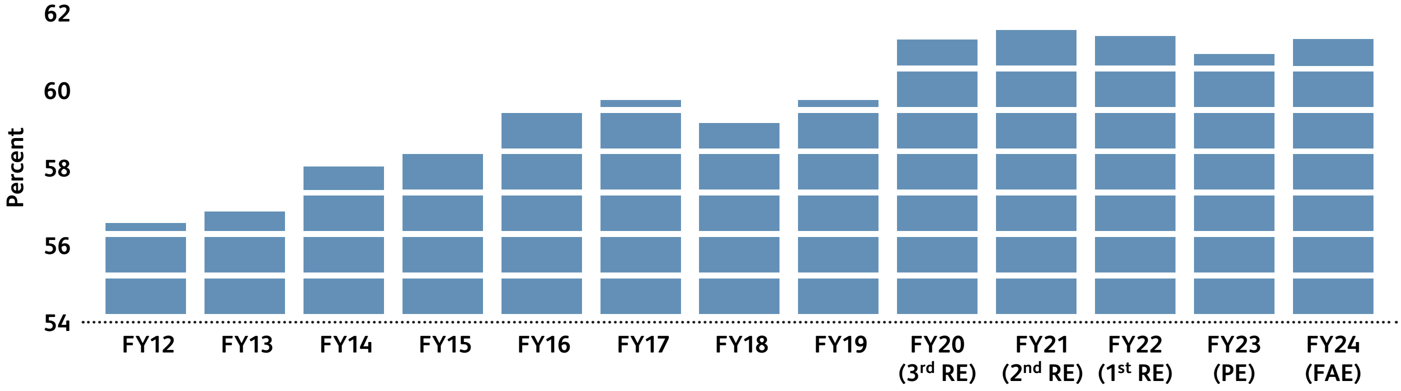
8.2%

India's GDP growth rate through FY24



Management Discussion and Analysis

Share of private final consumption expenditure in GDP



Source: NSO, MoSPI

Note: RE stands for Revised Estimates, PE for Provisional Estimates and FAE for First Advance Estimates

Outlook

With expectations of a stable GDP growth rate in the coming years, India is poised for robust growth. With inflation projected to stabilise and align with targets by 2025, the economy stands to benefit from more relaxed monetary policies, which will likely enhance investment capacities across various industries.

The government's continued emphasis on infrastructure development is anticipated to stimulate gross fixed capital formation, providing a catalyst for broader economic activities that underpin the pharmaceutical sector as well. Moreover, enhanced rural demand, spurred by initiatives like the PM Garib Kalyan Anna Yojana, is expected to boost overall consumption, including healthcare services and products.

Manufacturing enterprises are set to play a pivotal role in creating functional ecosystems that generate jobs, boost income levels, and expand opportunities for further consumption and investment in critical infrastructure. These developments are essential for supporting supply chain and distribution networks. Policy reforms aimed at streamlining operations and enhancing vertical markets will aid India's integration into global value chains, providing a competitive edge in international markets.

With ongoing reforms targeting vital areas such as workforce skilling, healthcare, energy security, MSMEs, and gender balance, India is advancing towards becoming a $7 trillion economy by 2030.

Industry overview

Global pharmaceutical

The global pharmaceutical industry has witnessed rapid growth, driven by increasing demand for healthcare services, technological advancements, and a significant increase in chronic diseases. As of 2023, the global pharmaceutical market is valued at approximately $1.6 trillion, demonstrating robust growth from a decade ago when the market was valued at around $950 billion in 2013. This growth is largely driven by an aging global population, rising healthcare expenditures, and a strong pipeline of pharmaceutical innovations.

~$1.6 trn

Global pharmaceutical market value in FY23

Regional markets

North America continues to dominate the pharmaceutical sector, accounting for around 48.9% of the global market. The United States alone holds a significant share, driven by major investments in drug development and a favourable regulatory environment. Europe follows, with a market share of 22.5%, strengthened by its strong pharma infrastructure and extensive research and development activities. The Asia-Pacific region is emerging as a key player, with China and India leading due to their large populations and increasing access to healthcare. In 2023, the Asia-Pacific market is projected to grow at an annual rate of 8.5%, the highest among all regions. (Source: National Library of Medicine)

48.9%

North America's share in global market

Patent cliff and generics

The patent cliff has been a major industry event, with patents on drugs worth approximately $251 billion in sales set to expire between 2021 and 2025. This situation presents an opportunity for generic drug manufacturers, which are expected to see increased market share. The generics market is currently growing at a 6.3% CAGR and is expected to continue expanding as patents expire and healthcare systems emphasise cost-efficiency. (Source: Financial Express)

Regulatory trends and impact

Regulatory bodies play a crucial role in shaping the pharmaceutical landscape. In recent years, there has been a push towards accelerated drug approvals, particularly in the U.S., where the FDA has implemented fast-track and breakthrough therapy designations. However, the regulatory environment is also becoming more stringent in areas such as drug pricing and market access, particularly in Europe and the U.S., influencing industry strategies and operations.

Outlook

The global pharmaceutical industry is poised for transformation in the coming years, projected to reach approximately $1.7 trillion by 2025 with a CAGR of 4-5%. R&D will remain a cornerstone of the industry, with global spending expected to rise to over $230 billion by 2026. Innovation will focus heavily on biotechnology, especially personalised medicine and biologics, which are anticipated to constitute more than 30% of the market by 2028. Artificial Intelligence in drug discovery is set to revolutionise the R&D process, potentially reducing costs and accelerating development timelines. (Source: Hindu business line)

The generics and biosimilars sectors are set to expand as patents on high-revenue drugs expire. The biosimilars market is projected to grow at a CAGR of 24% from 2022 to 2027, driven by economic pressures and favourable legislation (Biosimilars Council, 2023). Emerging global health dynamics, including pandemic preparedness and antimicrobial resistance, will influence industry priorities, potentially increasing public-private partnerships focused on vaccine development and essential medications stockpiling. (World Health Organisation, 2023)

Digital therapeutics and connected devices are expected to become integral to patient care, enhancing treatment personalisation and adherence (Digital Medicine Society, 2023). Moreover, sustainability and ethical manufacturing will gain prominence within the industry. Initiatives in green chemistry and reducing the environmental footprint of manufacturing processes will likely become standard practices due to regulatory demands and consumer expectations. (Green Chemistry Initiative, 2023)

Indian pharmaceutical

The Indian pharmaceutical industry stands as a vital component of the global healthcare sector, characterised by its extensive production capacity and pervasive distribution network. As one of the world's largest providers of generic drugs, India plays a crucial role in global pharmaceuticals, both in terms of volume and value.

The industry is projected to reach $57 billion by 2025, up from $49.78 billion in 2023, demonstrating a CAGR of approximately 6%. This growth is primarily driven by rising healthcare access and affordability, government initiatives, and a strong focus on exports. India holds a unique position in the global market, accounting for about 20% of global exports in terms of volume, making it the largest provider of generic medicines globally. (Source: Mint)

Management Discussion and Analysis

Domestic and export markets

The domestic market is strengthened by public health programmes and the increasing incidence of chronic diseases. Meanwhile, the export sector remains robust, with the United States being the largest market for Indian pharmaceutical exports, followed by the United Kingdom, South Africa, Russia, and Nigeria. In the FY24, pharmaceutical exports from India totalled $27.9 billion, representing a growth rate of 9.67% over the previous year. (Source: Business Standard)

Regulatory environment

The regulatory landscape in India has been evolving to support the industry's growth while ensuring safety and efficacy. The Central Drugs Standard Control Organisation (CDSCO), under the Ministry of Health and Welfare, is the principal regulatory authority. Recent reforms include streamlined approval processes for new drugs and a boost in funding for regulatory infrastructure to align with global standards.

Investment in R&D and innovation

In 2023, R&D spending by Indian pharma companies rose by 7-9%, reflecting an increasing trend towards innovation-driven growth. Companies are progressively focusing on complex generics, biosimilars, and novel drug delivery systems as part of their strategic shift from basic generic manufacturing to more value-driven operations (Source: Business Today)

Biotechnology and startups

The biotechnology sector in India is expanding rapidly, with over 6,000 startups, including numerous startups focusing on biopharmaceuticals, bioinformatics, and a range of sophisticated biotechnologies. Government initiatives such as the Biotechnology Industry Research Assistance Council (BIRAC) have been pivotal in providing funding and support for biotech research and startups in the country. Source: (India Brand Equity Foundation)

20%
Export share of India in the global market

6,000+
Biotech startups in India

Outlook

As the world's largest supplier of generic drugs and a significant player in global pharmaceutical exports, the Indian pharmaceutical industry's future is driven by both domestic demands and international market dynamics. With a projected market size to expand to $130 billion by 2030, the industry is influenced by increasing healthcare access, enhanced medical infrastructure, and extensive R&D activities (Source: The Hindu)

India's domestic pharmaceutical market, fuelled by rising healthcare spending and an emerging middle class, is expected to grow. The penetration of health insurance and government initiatives like Ayushman Bharat (national health protection scheme) are pivotal, providing a broadened customer base for pharmaceutical products. Moreover, chronic diseases prevalence such as diabetes and heart diseases are surging, further boosting demand for pharmaceuticals.

On the international front, Indian pharmaceutical exports are expected to continue their upward trend. The United States, along with emerging markets in Africa and Southeast Asia, remains a significant export destination due to the high demand for affordable generic medicines. Indian companies are expanding their global footprint by acquiring overseas companies and establishing production units abroad to navigate regulatory landscapes more efficiently and mitigate risks associated with supply chain disruptions (Source: Pharmaceuticals Export Promotion Council of India, 2023).

Investment in R&D is forecasted to increase, with Indian pharma companies expected to allocate around 9-10% of their revenues towards R&D by 2025. This investment is crucial as the industry shifts focus from generic drugs to more complex generics, biosimilars, and novel biologics. The development of these high-margin products is seen as essential for sustaining long-term growth and offsetting the pressures of intense competition in the generics market (Source: Business Today).

However, challenges such as regulatory compliance, intellectual property rights issues, and pricing pressures persist. To address these, the industry is advocating for more balanced policies that protect innovation while ensuring medications remain affordable. Additionally, sustainability and ethical manufacturing practices are becoming increasingly important, with companies investing in green technologies and cleaner production processes to meet both regulatory requirements and corporate responsibility goals.

Key growth drivers

The pharmaceutical industry stands at the cusp of transformative growth driven by a range of technological, regulatory, and demographic factors. These offer opportunities for industry players to expand their capabilities and market presence.

Innovation and advanced therapies

There is tremendous potential for innovation within the pharmaceutical sector, particularly in advanced therapies such as cell and gene therapy. Investment in these cutting-edge treatments is increasing, with the global cell and gene therapy market projected to reach $23.3 billion by the end of 2028, growing at a CAGR of 26.4% from 2023 to 2028 (Source: BCC Research) . This surge is driven by the rising prevalence of chronic diseases and significant advancements in biotechnology.

Digital transformation

The industry is also poised to benefit from the optimal utilisation of digital technologies. Digital health initiatives are becoming essential tools for improving efficiencies in drug development, patient monitoring, and treatment personalisation. According to a report by McKinsey, digital transformation could unlock approximately $100 billion in value annually across the US healthcare system by optimising innovation, improving the efficiency of research and clinical trials, and building new tools for physicians, consumers, insurers, and regulators. (Source: McKinsey)

Expanding global reach

Opportunities for geographic expansion are particularly significant. Companies are increasingly looking towards international territories, extending their footprints in underpenetrated markets. The Asia-Pacific region, for example, is expected to experience the fastest growth in the pharmaceutical sector, largely due to expanding healthcare infrastructure and favourable demographic trends.

Strategic global collaborations

The industry is seeing more large global pharma players entering joint ventures with local companies, especially in emerging markets. These partnerships help to combine local market knowledge with global expertise, enhancing market access and distribution networks.

Cost-effective manufacturing and skilled labour

India, known for its robust and cost-effective manufacturing setup, continues to be a global hub for pharmaceutical production. The country benefits from a pool of skilled yet cost-efficient labour, making it an attractive destination for both greenfield and brownfield investments by global private equity firms and large pharmaceutical companies. Foreign Direct Investment (FDI) policies have also been favourable, with the Indian government allowing up to 100% FDI under the automatic route for greenfield pharma (Source: Department of Industrial Policy and Promotion, Government of India).

China+1 strategy

Amidst geopolitical tensions and supply chain diversification, the China+1 strategy has gained traction. Companies are looking to mitigate risks by diversifying their manufacturing and sourcing operations beyond China, and India has emerged as a sought-after alternative due to its strong pharmaceutical manufacturing capabilities and improved regulatory environment.

Transition to product patent regime

The gradual migration to a product patent-based regime in developing nations is expected to further protect innovations and extend market exclusivity for new drugs. This transition supports the development of novel pharmaceuticals and encourages more substantial investment in R&D.

Management Discussion and Analysis

Company overview

Laurus Labs Limited, a leading integrated pharmaceutical manufacturing company based in India, aims to drive sustainable growth in the industry. The Company adheres to the mission of providing consistent quality medicines globally and continually invests in future opportunities. With a strong research and development focus, Laurus Labs has successfully diversified and transformed, tapping into new growth avenues.

Initially established as a company specialising in ARV API, Laurus Labs has expanded from APIs into Formulations, and further broadened its expertise into Contract Development and Manufacturing of Human Health, Animal Health, Speciality and Crop Science Ingredients. The Company is also investing in Precision fermentation and establishing a centre of excellence for the manufacturing of Cell and Gene Therapy products. This expansion underlines the shift towards becoming a fully Integrated Pharmaceutical Company, a vision realised through consistent perseverance and agility.

Opportunities

- Significant scope for innovations and strategic investments in advanced cell and gene therapies
- Expertise in chemistry and process engineering enhancing product development and manufacturing efficiencies in various segments
- Robust pipeline progress and commercial execution in both CDMO and CMO projects, enabling rapid scale-up
- Effective management of resources (manpower, materials, reactors) to optimise production costs and increase margins
- Implementation of Continuous Process Improvement Programmes to ensure operational excellence
- Shift towards making processes greener, cleaner, and safer using Continuous Flow Chemistry and the use of Bio catalysis
- In-house manufacturing of key intermediates to secure supply chain and reduce costs
- Investments into diversified project portfolio with improved margins
- Efforts to stabilise ARV sales and meet the increasing global demand for Drug Substance (DS) and Drug Product (DP) projects

Threats

- Moderation in growth in key export markets such as the USA, attributed to price erosion and increased regulatory scrutiny
- Delays in regulatory approval impacting the timing of new product launches
- Excess channel inventory for Antiretroviral (ARV) drugs, leading to adverse pricing impacts
- Delays in the clinical programmes of our partners

Segment-wise performance

Formulation (FDF)

The Formulation segment witnessed a robust growth of 24%, driven by the stabilisation of the ARV business and a continued volume-led expansion in the developed market portfolio. The market outlook remains stable, strengthened by multiple product launches in the US and increased contract manufacturing activities which support asset utilisation. The joint venture with KRKA further enhances our generic portfolio and market presence.

Read more on page 22

API

The API segment saw a slight decline of 2%. The ARV API remained steady with a 1% increase and oncology demand surge helped revenues grow by 27%. Weak pricing resulted in a 22% decrease in the revenues from other APIs. We continue to leverage our large-scale capacity to capitalise on the dual sourcing trend, with a strong focus on long-term growth.

Read more on page 20

CDMO-Synthesis

Despite the absence of large PO business this financial year (FY24: nil vs. FY23: ₹1,424 crores), our core CDMO-Synthesis business achieved a 24% growth. This was fuelled by a strong flow of Request for Proposals (RFPs) from major pharmaceutical and biotech companies, an increased commercial pipeline, and preparations for future business growth. We also signed a multi-year Master Service Agreement (MSA) with a leading crop protection company. Additionally, a new dedicated animal health DS facility was brought online, and further expansion has been planned to meet additional opportunities. A new R&D unit will be commissioned during Q2 FY25 to augment our R&D capacities significantly.

Read more on page 18

Bio

The Bio segment demonstrated a 28% growth, driven by contract manufacturing projects and our expertise in bio-catalysis for select small molecule projects. The R-2 downstream unit was brought online, and this will help in servicing more projects. We also initiated construction of fermentation capacities at Vizag for the production of GMP pharmaceutical intermediates, and augment capacities for Bio units at Bengaluru.

Read more on page 24

A. FY24 consolidated financials

(₹ in crores)

	FY24[2]	FY23[1]	y-o-y
Revenue	5,041	6,041	(17%)
Gross margin	51.7%	54.1%	(240 bps)
EBITDA	798	1,594	(50%)
% to revenue	15.8%	26.4%	(1,060 bps)
PBT	236	1,109	(79%)
Net Profit	161	790	(80%)
% to revenue	3.2%	13.1%	(1,630 bps)
EPS	2.9	14.6	(80%)

[1] FY23 financials information is based on material Purchase Order (PO) supplies to big pharma client, that was completed in December 2022

[2] FY24 results includes i) Cell and Gene related spends of ₹15 crores under R&D expenses; ii) ImmunoACT share of loss ₹5 crores; iii) LSPL Unit 2 expenses of ₹24 crores; and iv) Gross obligation expenses ₹6 crores

Revenue from operations (net)

Revenue from operations decreased by 17% to ₹5,041 crores in FY24. Core business revenue growth was 9% excluding large PO driven by strong FDF, CDMO and BIO with softer performance in API.

Material costs

Raw materials consumed remained at 51.7 % in FY24, against 54.1% in FY23. Cost of materials were increased by 240 basis points due to product mix.

Employee expenses

People-related expenses increased to ₹640 crores in FY24 from ₹581 crores in FY23. This increase was due to a 400+ increase in employee strength compared to FY23.

Other expenses

Other expenses including other operating expenses, marketing, R&D and administrative expenses stood at ₹1,191 crores in FY24 against ₹1,093 crores in FY23. As a percentage of revenue, other expenses stand at 24%, as compared to 18% in the previous year. During the year, the Company spent on new initiatives like CGT, Animal Health, etc.

Management Discussion and Analysis

B. FY24 balance sheet

(₹ in crores)

	FY24	FY23	y-o-y
Net fixed assets (including CWIP)	4,048	3,700	+348
Goodwill and intangibles	265	259	+6
Net working capital (A+B-C)	2,457	2,554	-97
A. Inventories	1,845	1,685	
B. Receivables	1,663	1,580	
C. Payables	1,051	711	
Other assets and liabilities (current and non-current)	-291	-549	+258
Cash and cash equivalents	139	46	+93
Equity	4,111	4,038	+73
Debt (current and non-current)	2,507	1,972	+535
Total net assets	**6,618**	**6,010**	**+ 608**

In FY24, Laurus Labs demonstrated a robust financial position, marked by significant growth and strategic investments. The total net assets increased by ₹608 crores, reaching ₹6,618 crores, up from ₹6,010 crores in FY23.

Net fixed assets

Net fixed assets, including capital work-in-progress (CWIP), rose by ₹348 crores to ₹4,048 crores. This increase was primarily driven by investments in property, plant, and equipment towards the CDMO business, including the new R&D centre in Hyderabad and the Intermediate/API manufacturing blocks (LSPL Unit 2 and Unit 4) in Vizag.

Goodwill and intangibles

Goodwill and intangibles saw a marginal increase of ₹6 crores, bringing the total to ₹265 crores.

Net working capital

Net working capital decreased by ₹97 crores to ₹2,457 crores. This decline was a result of higher payables, which partially offset increases in inventories and accounts receivables. Inventories grew by ₹160 crores to ₹1,845 crores, and receivables increased by ₹83 crores to ₹1,663 crores. However, payables rose significantly by ₹340 crores to ₹1,051 crores.

Other assets and liabilities

Other assets and liabilities, both current and non-current, decreased by ₹258 crores to ₹291 crores. This reduction was mainly due to decreases in customer advances and capital creditors.

Cash and cash equivalents

Cash and cash equivalents saw a substantial increase of ₹93 crores, totalling ₹139 crores by the end of FY24.

Equity

Equity increased by ₹73 crores, reaching ₹4,111 crores, reflecting the company's strong financial health and retained earnings.

Debt

Debt, both current and non-current, rose by ₹535 crores to ₹2,507 crores. This increase was mainly due to long-term debt taken to fund key growth projects in the CDMO divisions and infrastructure-related investments. Despite this rise, working capital loans remained largely stable.

C. Ratios

(₹ in crores)

Key ratios*	As on March 31, 2024	As on March 31, 2023
Debtors turnover	3.0	3.8
Inventory turnover	2.7	3.6
Interest coverage ratio	4.6	10.9
Current ratio	1.23	1.42
Debt equity ratio	0.61	0.49
Operating profit margin (EBIDTA) %	15.8%	26.4%
Net profit margin %	3.2%	13.1%
Return on net worth %	3.9%	19.6%

*All numbers are based on consolidated financials

Outlook

Laurus Labs anticipates robust growth in FY25, driven by leveraging our established capabilities to secure medium to long-term contracts and commercial opportunities in late-phase NCE projects. This positive outlook is further supported by the industry's favourable environment. We expect a ramp-up of growth projects and the commissioning of new assets, which will contribute significantly to our revenue streams.

Despite the headwinds in certain segments of the API portfolio, we are confident in our ability to offset pricing challenges through strategic initiatives. These include improving EBITDA margins via better asset utilisation and productivity gains, while continuing to implement new initiatives that drive efficiency and value creation. Our capital expenditure strategy remains focused on prioritising investments in high-value and growing market segments. This approach ensures that we are well positioned to capitalise on emerging opportunities and sustain long-term growth.

People

Laurus Group employs 6,700+ people directly and another around 6,000+ people indirectly in our business activities. We believe that the quality of our employees is the key to our success. We are committed to providing necessary training and development opportunities to equip employees with requisite skill sets, such as on the job and professional training programmes to enable them to adapt to technological advancement.

We undertake various activities for the welfare and work-life balance of employees such as annual family day celebrations, kids' development programmes and provision of safety training programmes. We also engage our workforce continuously through platforms such as town hall meetings, surveys, face to face interactions, and the like. We have been consistently recognised as a Great Place to Work by GPW Institute for the last four years and has received various safety awards from governmental and non-governmental institutes. Furthermore, industrial relations during the year have been cordial like previous years and it goes without saying that Laurus Group is committed to take care of all Laureates.

Internal control

Laurus Labs has established a robust internal control framework designed to ensure the integrity of financial reporting, safeguard assets, and enhance operational efficiency. This framework includes a comprehensive set of policies and procedures that guide all aspects of the Company's operations.

The internal control system at Laurus Labs is aligned with globally recognised standards and practices, ensuring compliance with regulatory requirements and internal policies. It includes rigorous processes for financial reporting, risk management, and compliance monitoring. Regular internal audits are conducted to assess the effectiveness of controls and identify areas for improvement. These audits are complemented by third-party reviews to ensure objectivity and enhance the credibility of the findings.

A key component of the internal control framework is the segregation of duties, which minimises the risk of errors and fraud. Additionally, automated systems and controls are implemented to streamline operations and reduce manual intervention, thereby increasing accuracy and efficiency. The framework also emphasises continuous training and awareness programmes for employees to ensure that they are well-versed in compliance and control practices.

Laurus Labs' internal control framework is overseen by the Audit Committee, which reviews and monitors the effectiveness of the controls on a regular basis. The committee ensures that any identified issues are promptly addressed and that corrective actions are implemented.

Cautionary statement

This Report contains forward-looking statements, which may be identified by their use of words like 'plans,' 'expects,' 'will,' 'intends,' 'projects,' 'estimates or other words of similar meaning. All statements that address expectations, assumptions, or projections about the future, including statements about Laurus Labs Limited's strategy for growth, market position, expenditures and financial results are also forward-looking statements. Laurus Labs Limited cannot guarantee that these assumptions and expectations are accurate or will be realised.

Board's Report

To
The Members of
Laurus Labs Limited

Your Directors have pleasure in presenting the 19th Annual Report of the Company together with the Audited Financial Statements for the Financial Year ended March 31, 2024.

Standalone and Consolidated Financial Highlights:

(₹ in crores)

Particulars	Consolidated		Standalone	
	2023-24	2022-23	2023-24	2022-23
Gross Income	5,041	6,041	4,812	5,773
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	798	1,594	777	1,487
Finance Charges	183	165	151	146
Depreciation/Amortisation	385	324	345	301
Net Profit Before Tax	236	1109	301	1051
Provision for Tax	68	312	78	291
Net Profit After Tax carried to Balance Sheet	168	797	224	760
Interim Dividend paid	--	--	86	107

Company's Affairs:

(i) Operations:

During the year under review, the Turnover of your Company stood at ₹5,041 crores and registered growth of 9% excluding one large purchase order (PO). However, due to reduction in sale price for ARV prodcuts, non-generation of revenue from the additional manufacturing capacities for want of completing validation protocols, incurred cost on new areas of business, the turnover and profits have reduced significantly. The profit stood at ₹168 crores which is less by 80% over the last year profit of ₹797 crores. Notwithstanding this, your company is able to maintain gross marging at more than 50% which gives confidence and hope that your company will be able to achieve it's goals in forthcoming years.

During the year under review –

- Your Company was able to undertake increasing application of new and sustainable technologies such as Flow Chemistry, Bio Catalysis, precision fermentation etc. providing base for rapidly expanding CDMO offering.
- Your Company has invested ₹700 crores during the year on ongoing expansion program so that the Company will be able to achieve its future goals;
- Your Company continue to advance on regulatory and ESG Agenda; signed Greenhouse Gases commitment with Science Based Targets Initiative (SBTi);
- More than 100 quality audits have been completed by various customers and regulatory agencies;
- The Company has implemented SANKALP (in alliance with DSS+) to enhance organisational safety and excellence.
- During the year, our Investee company ImmunoACT, India's first CAR-T cell therapy, NexCAR 19 has been approved from CDSCO on October 12, 2023 to treat r/r Lymphoma/Leukamia indication and commercial launch and treatment started and CAR-T treatment capacity has been under expansion to service more patients.
- The Company has collaborated with IIT Kanpur to in-license and fund development of Gene Therapy assets and took all steps to set up a GMP manufacturing facility in IIT-Kanpur campus.
- The stake in ImmunoACT has been increased to 33.86% from the earlier 26.62% by investing around ₹80 crores and the stake in Laurus Bio has gone up from the earlier 72.61% to 87.58% (both on fully diluted basis) by investing ₹72 crores;
- Executed MOU with KRKA d.d., novo mesto, Slovenia to set up a JV Company which will have significant growth potential in India and overseas markets.
- Your Company was certified as Great Place to Work in fourth consecutive year.

(ii) Outlook:

Business prospects may remain positive because of the growing global demand for generics and opportunities provided by the expiry of patents in developed markets. Your Company also expects to sustain in overall ARV business due to stable demand.

Management Discussion & Analysis:

Various business aspects including market conditions, business opportunities, challenges etc. have been discussed at length in the Management Discussion and Analysis (MD&A), which forms part of this Annual Report.

Dividend:

Your directors are pleased to inform you that the Board has declared the interim dividend @ 20% (i.e. ₹0.40 per share of the face value of ₹2/- each) and paid to the Shareholders in November, 2023 and the 2nd Interim dividend @ 20% (i.e. ₹0.40 per share of the face value of ₹2/- each) and being paid to the shareholders in May, 2024 aggregating to 40% dividend i.e. ₹0.80/- per share of the face value of ₹2/- each relating to the FY 2023-24. The dividend payout ratio is 19% which is within the stipulated maximum of 20% under dividend policy.

Transfer to Reserves:

Your Company did not transfer any portion of profits to Reserves.

Share Capital:

During the year under review -

- Company has allotted 3,14,933 (Three lakh fourteen thousand nine hundred and thirty three only) equity shares of ₹2/- to various eligible employees of the Company under Employee Stock Option Scheme 2018 upon exercise of their vesting rights in December, 2023.
- As a result, the paid up share capital as on December 8, 2023 stood at ₹107,79,31,716/- divided into 53,89,65,858 shares of ₹2/- each.

Change in the nature of the business, if any:

There is no change in the nature of the business of the Company or any of its subsidiaries or associates, during the year under review.

Material Changes and commitments, affecting the financial position of the Company:

There are no material changes and commitments affecting the financial position of the Company that have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the Report i.e. between March 31, 2024 to April 25, 2024.

Disclosure on Large Corporate:

Your Company was qualified as "Large Corporate" in terms of the circular dated November 26, 2018 issued by Securities and Exchange Board of India (SEBI) for the Financial Years 2022 and 2023 due to which your Company was required to raise 25% of its incremental borrowings during the Financial Years 2023 and 2024 through debt securities. For these two years, the incremental borrowings made by the Company and the amount to be raised through debt securities are as follows:

FY	Incremental Borrowing made/₹	25% to be sourced through debt securities/ Amount/₹
23	200.00 crores	50.00 crores
24	177.37 crores	44.34 crores

This criteria is to be met over a period of three years. However, SEBI through its circular dated October 19, 2023 changed the criteria for "Large Corporate" according to which your Company is not qualified as "Large Corporate" and hence the requirement of raising 25% of its incremental borrowing through debt securities done away with for the FY 2025 onwards unless your Company is qualified as Large Corporate as per the revised criteria in future.

The said circular also stated that for the earlier years the Large Corporates like your Company (which are not Large Corporates as per the revised circular) may endeavour to comply with the requirements of raising 25% of the incremental borrowings through debt securities or alternatively such Large Corporates shall provide a one time explanation in their Annual Report for FY 2024.

The borrowing cost of funds through the route of debt securities is higher by around 1% to 1.50% per annum by way of higher interest rate and placement cost and therefore in order to keep the cost of funds under control your Company has decided not to proceed with raising of incremental borrowings through debt securities as per the rescinded circular of SEBI dated November 26, 2018 and the same may be noted by the members accordingly.

Fixed deposits:

The Company did not accept any fixed deposits.

Board's Report

Subsidiaries, Associates and Joint Ventures:

At the end of the year, the status of the subsidiaries/associates is as follows:

Name of the Holding Company	Name of the Subsidiary	% shareholding	Status
Laurus Labs Limited	Sriam Labs Pvt. Ltd.	100%	WOS *
	Laurus Holdings Limited, United Kingdom	100%	WOS
	Laurus Synthesis Pvt. Ltd.	100%	WOS
	Laurus Generics (SA) Pty Ltd.	100%	WOS
	Laurus Specialty Chemicals Pvt. Ltd.	100%	WOS
	Laurus Bio Pvt. Ltd.	87.58%	Subsidiary
	Immunoadoptive Cell Therapy Private Limited	33.86%	Associate
	Ethan Energy India Private Limited	26%	Associate
Laurus Holdings Ltd., UK	Laurus Generics GmbH, Germany @	100%	WOS
	Laurus Generics Inc., USA @	50.76% #	Subsidiary

* WOS means Wholly Owned Subsidiary

@ Laurus Generics GmbH, Germany and Laurus Generics Inc., are step-down subsidiaries of Laurus Labs Limited

Balance 49.24% is held by your Company.

As per Sec.129(3) of the Companies Act, 2013 the consolidated financial statement of the Company and all its Subsidiaries and Associates prepared in accordance with the applicable accounting standards forms part of this Annual Report. Further, a statement containing salient features of the financial statements of our subsidiaries and associates in the prescribed form in AOC-1 is attached as **Annexure-1** to the Directors' Report.

Consolidated financial Statements:

Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of applicable Accounting Standards and the provisions of Companies Act, 2013. As per the provisions of Section 136 of the Companies Act, 2013, the Company has placed separately the audited financial statements of its subsidiaries on its website www.lauruslabs.com and copies of audited financial statements of the subsidiaries will be provided to the Members at their request.

Particulars of Loans, Guarantees and Investments:

The Company has also issued a Corporate Guarantee to the Bankers for the loans sanctioned to Laurus Synthesis Private Limited and for Laurus Bio Private Limited and the guarantees provided are well within the limits prescribed under Sec.186 of the Companies Act, 2013.

Board of Directors and Key Management Personnel:

As per the provisions of the Companies Act, 2013, Mr. V.V. Ravi Kumar will retire at the ensuing annual general meeting and, being eligible, seek reappointment. The Board of Directors recommends his re-appointment.

During the year, Mr. Chandrakanth Chereddi has resigned as a non-executive Director from the Board w.e.f. October 21, 2023.

Board Meetings:

The Board and Committee meetings are pre-scheduled and a tentative calendar of the meetings shall be finalised in consultation with the Directors to facilitate them to plan their schedule. However, in case of urgent business needs, approval is taken by passing resolutions through circulation. During the year under review, eight (8) board meetings were held. The details of the meetings including the composition of various committees are provided in the Report on Corporate Governance.

Performance Evaluation:

The formal annual evaluation of the performance of the Board as well as non-independent directors was undertaken by the Nomination and Remuneration Committee. The performance of Board Committees and of individual independent directors was undertaken by the Board members.

The manner of the evaluation of the Board and other Committees has been determined by the Nomination and Remuneration Committee as per SEBI circular dated January 5, 2017.

Declaration from Independent Directors:

The independent directors have submitted the declaration of independence stating that they meet the criteria of independence as prescribed in sub-section (6) of Section 149 of the Companies Act, 2013 as well as under Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Policy on Directors' Appointment and Remuneration:

The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters are adopted as per the provisions of the Companies Act, 2013. The remuneration paid to the Directors is as per the terms laid out in the nomination and remuneration policy of the Company.

The nomination and remuneration policy is adopted by the Board and the salient features of the policy are as follows:

- Non-Executive and Independent Directors (**"NEDs"**) will be paid remuneration by way of sitting fees and commission. The remuneration/ commission/ compensation to the NEDs will be determined by the Nomination and Remuneration Committee (**"Compensation Committee"**) and recommended to the Board for its approval.
- As approved by the shareholders at the shareholders meeting held on July 20, 2016, commission will be paid at a rate not exceeding 1% per annum of the profits of the Company computed in accordance with section 198 of the Act.
- The payment of the Commission to the NEDs will be placed before the Board every year for its consideration and approval. The sitting fee payable to the NEDs for attending the Board and Compensation Committee meetings will be fixed, subject to the statutory ceiling. The fee will be reviewed periodically and aligned to comparable best in class companies.
- NEDs will not be eligible to receive stock options under the existing employee stock option scheme(s) (**"ESOP"**) of the Company.
- The compensation paid to the executive directors (including the Managing Director) will be within the scale approved by the shareholders. The elements of the total compensation, approved by the Compensation Committee will be within the overall limits specified under the Act.
- The Company's total compensation for Directors and Key Managerial Personnel as defined under the Act / other employees will consist of:
  - fixed compensation
  - variable compensation in the form of annual incentive
  - benefits
  - work related facilities and, perquisites

Changes made to the policy: Nil

The Nomination and Remuneration Policy is placed on the Company's website and the following is web address of the said policy.

https://www.lauruslabs.com/Investors/PDF/Policies/Remuneration_Policy.pdf

Dividend Distribution Policy:

The web link of the Dividend Distribution Policy has been provided below for the perusal of the shareholders.

https://www.lauruslabs.com/Investors/PDF/Policies/Dividend_Policy.pdf

Risk Management:

Your Company had formulated a risk management policy for dealing with different kinds of risks that it faces in the day-to-day operations of the Company. Risk Management Policy of the company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. The Company has adequate internal financial control systems and procedures to mitigate the risk. The risk management procedure is reviewed by the Risk Management Committee and Board of Directors on a regular basis at the time of review of quarterly financial results of the Company. Further, your Company had constituted a Risk Management Committee which lays down various risk mitigating practices that your Company is required to implement in the Company.

Adequacy of Internal Financial Controls:

The internal financial controls with reference to the Financial Statements, apart from statutory audit, internal audit and cost compliance, are adequate to the size and operations of the Company.

Directors' Responsibility Statement:

In terms of Section 134(3)(c) of the Companies Act, 2013, the Board of Directors of the Company states 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) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis;

(e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operative effectively; and

Board's Report

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operative effectively.

Related Party Transactions:

In accordance with Sec 134(h) of the Companies Act, 2013 and Rule 8(2) of Companies (Accounts) Rules, 2014, the particulars of contracts or arrangements entered into by the Company with the Related Parties referred to in Sec.188(1) of the Act, have been provided in Form AOC-2 and attached the same as **Annexure-2**.

The details of related party disclosures as stated in the notes to the financial statements forms part of this annual report.

Vigil Mechanism:

The Company established a whistleblower policy in order to assure that the business is conducted with integrity and that the Company's financial information is accurate.

Auditors:

(i) Statutory Auditors:

M/s. Deloitte, Haskins & Sells LLP, Firm Registration No.117366W/W-100018 have been appointed as Statutory Auditors of the Company for the second term of Five years from the conclusion of 17th AGM till the conclusion of 22nd AGM of the Company at a remuneration to be decided by the Board.

(ii) Cost records and Auditors:

The Company is required under Section 148(1) of the Companies Act, 2013 read with Companies (Audit & Auditors') Rules, 2014 and the Companies (Cost Records and Audit) Amendments Rules, 2014, the Company is required to maintain the cost records in respect of its business and accordingly such accounts and records are made and maintained.

Your Board has re-appointed M/s. Sagar & Associates, Cost Accountants, as the Cost Auditors of the Company for the Financial Year 2024-25. As required by the Act, the remuneration of the Cost Auditors has to be ratified by the Members and accordingly the resolution relating to the Cost Auditors is being placed before the Members for their ratification.

(iii) Secretarial Auditors & Secretarial Audit Report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has re-appointed Y. Ravi Prasada Reddy, Practising Company Secretary (CP No. 5360) proprietor of RPR & Associates, to undertake the Secretarial Audit of the Company for the financial year 2023-24. The Secretarial Audit Report issued in Form MR-3 is in **Annexure-3** to this Report. There are no qualifications, reservations or adverse remarks in the Secretarial Audit Report.

Auditors' Qualifications/reservations/adverse remarks/ Frauds reported:

There are no Auditors' Qualifications or reservations or adverse remarks on the financial statements of the Company. The Auditors have not reported any frauds to the Audit Committee as prescribed under Sec. 143(12) of the Companies Act, 2013.

Significant and material orders passed by the Courts/ Regulators:

There are no significant and material orders passed by the Courts or Regulators against the Company.

Rating:

CARE has continued with its rating of "AA Stable" on the long term bank facilities of the Company and Reaffirmed A1+ on the short term bank facilities of the Company.

Insurance:

All properties and insurable interests of the Company including buildings, plant and machinery and stocks have been fully insured.

Corporate Social Responsibility initiatives:

Pursuant to the provisions of Section 135 and Schedule VII of the Companies Act, 2013, CSR Committee of the Board of Directors had framed the policy on Corporate Social Responsibility and the relevant details have been provided in **Annexure-4** and forms part of this Report.

Annual Return:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 (as amended), a copy of the Annual Return of the Company shall be placed on the Website of the Company at www.lauruslabs.com.

Statement of Particulars of Appointment and Remuneration of Managerial Personnel/ employees:

In accordance with the provisions of Section 134 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the statement of particulars of appointment and remuneration of managerial personnel and employees is attached in **Annexure-5** to this Report.

Human resources:

The management believes that competent and committed human resources are vitally important to attain success in the organisation. In line with this philosophy, utmost care is being exercised to attract quality resources and suitable training is imparted on various skill-sets and behavior. Various initiatives were undertaken to enhance the competitive spirit and encourage bonding teamwork among the employees and could achieve the targeted growth in the performance of the Company.

Employee Stock Options:

During the year, the Company has allotted 3,14,933 (Three lakh fourteen thousand nine hundred and thirty three only) equity shares of ₹2/- to various eligible employees of the Company under Employee Stock Option Scheme 2018 upon exercise of their vesting rights in December, 2023.

The details of stock options are as mentioned in **Annexure-6** and forms part of this Report. Further, the details of the stock options stated in the notes to accounts of the financial statements also forms part of this Annual Report.

Conservation of energy, technology absorption and foreign exchange earnings/outgo:

The information required under Section 134 (3) (m) of the Companies Act, 2013, read with Rule 8(3) of Companies (Accounts) Rules, 2014, is appended hereto as **Annexure-7** and forms part of this Report.

Policy on Prevention of Sexual Harassment:

The Company has formulated and implemented a policy for Prevention of Sexual Harassment of Women at workplace. During the year under review, the Company has not received any complaints under the policy.

The Company has many systems, processes and policies to ensure professional ethics and harmonious working environment. We follow Zero Tolerance towards Corruption and unethical conduct. These are ensured through Whistle Blower Policy, Anti-Corruption Policy, Gift Policy, Sexual Harassment Policy and Redressal Guidelines.

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

Corporate Governance:

A separate section on Corporate Governance practices followed by your Company, as stipulated under Schedule V(C) of the SEBI (LODR) Regulations, 2015 is enclosed and forming part of this report.

The certificate of the Practising Company Secretary Mr.Y.Ravi Prasada Reddy with regard to compliance of conditions of corporate governance as stipulated under Schedule V (E) of the SEBI (LODR) Regulations, 2015 is annexed to the Report on Corporate Governance.

Business Responsibility and Sustainability Report (BRSR)

The Listing Regulations mandate the inclusion of the BRSR as part of the Annual Report for top 1000 listed entities based on market capitalisation. In accordance with the Listing Regulations, we have integrated BRSR disclosures into our Annual Report.

Awards:

- Dr. Satyanarayana Chava, Founder & CEO has been awarded by Business Today as the Best CEO 2024 in Pharma & Health Care sector.
- The following Laurus Labs Units won the Confederation of Indian Industry (CII), Andhra Pradesh – Industrial Safety Excellence Awards for the Performance Year 2023: -
  - Laurus Labs Limited, Unit-2: Best Safety Performer Award
  - Laurus Labs Limited, Unit-4: Best Safety performer Award
  - Laurus Labs Limited, Unit-5: Industrial Safety Leadership Award

Acknowledgements:

Your Directors would like to place on record their sincere appreciation to customers, business associates, bankers, vendors, government agencies and shareholders for their continued support.

Your Directors are also happy to place on record their sincere appreciation to the co-operation, commitment and contribution extended by all the employees of the Laurus family and look forward to enjoying their continued support and cooperation.

For and on behalf of the Board

Dr. Satyanarayana Chava	**Ravi Kumar V.V**
Executive Director & Chief Executive Officer DIN: 00211921	Executive Director & Chief Financial Officer DIN: 01424180

Hyderabad
June 06, 2024

Annexure – 1

FORM AOC – 1

PART – A: SUBSIDIARIES INFORMATION

S.No.	Particulars	Details					
1	Name of Subsidiary	Sriam Labs Private Limited	Laurus Synthesis Private Linmited	Laurus Holdings Ltd. UK	Laurus Generics SA (Pty) Ltd.	Laurus Bio Private Limited	Laurus Specialty Chemicals Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 1, 2023 to March 31, 2024					
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Rupees (in Cr.)	Indian Rupees (in Cr.)	GB Pound (in Cr.)	ZAR (in Cr.)	Indian Rupees (in Cr.)	Indian Rupees (in Cr.)
4	Share capital	14.20	0.11	0.11	0.00	0.26	0.09
5	Reserves & Surplus	41.54	110.76	(0.14)	2.43	52.26	-
6	Total Assets	68.34	852.49	2.08	4.49	240.28	-
7	Total Liabilities	12.59	741.62	2.11	2.06	187.76	-
8	Investments						-
9	Turnover	72.84	85.68	1.95	-	164.17	-
10	Profit before taxation	13.21	(40.63)	(0.17)	(3.23)	6.28	-
11	Provision for taxation	3.43	(11.74)	0.00	0.13	1.89	-
12	Profit after taxation	9.77	(28.89)	(0.17)	(3.36)	4.39	-
13	Proposed Dividend	-	-	-	-	-	-
14	% of shareholding	100%	100%	100%	100%	91.14%	100%

Laurus Holdings Ltd. is a UK based foreign subsidiary and its local currency is GBP

Exchange rate 104.0528852 INR/GBP for profit and loss account and 105.211 INR/GBP for Balance sheet items

Laurus Generics SA (Pty) Ltd. is a South Africa based foreign subsidiary and its local currency is ZAR

Exchange rate 4.42124 ZAR/INR for profit and loss account transactions and 4.41521 ZAR/INR for Balance sheet items.

PART – B: ASSOCIATES AND JOINT VENTURES

S.No.	Name of Associates/Joint Ventures	Immunoadoptive Cell Tgerapy Private Limited	Ethan Energy India Pvt. Ltd.
1	Latest Audited Balance Sheet Date / Management Accounts Date	31-03-2024	31-03-2024
2	Shares of Associate/Joint Ventures held by the Company on the year end	34.89%	26%
	No.	996 Equity shares of ₹10/- each, fully paid up 6011 CPS of ₹10/- each (₹10 /- each fully paid up)	7,40,000 Equity shares of ₹10/- each, fully paid up
	Amount of Investment in Associates/Joint Venture / ₹ in Crores	126.02	3.90
	Extend of Holding %	34.89%	26.00%
3	Description of how there is significant influence	Shareholding & Shareholders Agreement (SHA)	Shareholding & Shareholders Agreement (SHA)
4	Reason why the associate/joint venture is not consolidated	NIL	NIL
5	Networth attributable to Shareholding as per latest audited Balance Sheet (₹ Cr.)	106.14	(11.57)
6	Profit/Loss for the year:		
	i. Considered in Consolidation (₹ Cr.)	(5.29)	(0.65)
	ii. Not Considered in Consolidation (₹ Cr.)	(9.87)	(1.84)

Annexure – 2

AOC – 2

Particulars of contracts/arrangements entered into by the Company with related parties

(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)

(Referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto)

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil

   All contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 are at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis: The details are set out in the standalone financial statements forming part of this Annual Report. The same may be referred for this purpose.

Nature of the related party	Nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount

Appropriate approvals have been taken for related party transactions. No amount was paid as advance.

Annexure – 3

Form No. MR-3
SECRETARIAL AUDIT REPORT
For the Financial Year ended March 31, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
M/s. LAURUS LABS LIMITED
Laurus Enclave, Plot Office 01, E. Bonangi Village,
Parawada Mandal, Anakapalli District, Andhra Pradesh – 531021.

We have conducted the Secretarial Audit on the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Laurus Labs Limited** (hereinafter referred to as the ***"Company"***). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, 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 authorised representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on **March 31, 2024**, (i.e. from April 1, 2023 to March 31, 2024) complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

The Company is carrying on the business of offering broad and integrated portfolio of Active Pharmaceutical Ingredients (API) including intermediates, Finished Dosage Forms (FDFs), Contract Research Services, Biologics and Cell and Gene Therapy to cater to the needs of the global pharmaceutical industry.

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

A. The Companies Act, 2013 (the "Act") and the rules made thereunder;

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

C. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

D. 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;

E. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-

   (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 and amendments from time to time;

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

   (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 (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the financial year);

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2018 regarding the Companies Act and dealing with client;

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2018 (Not applicable to the Company during the financial year);

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the financial year).

F. The Memorandum and Articles of Association.

G. The Company has identified and confirmed the following laws as specifically applicable to the Company.

   (a) Drugs (Control) Act, 1950

   (b) Drugs and Cosmetics Act, 1940 and the Drugs and Cosmetics Rules, 1945

   (c) Narcotic Drugs and Psychotropic Substances Act, 1985

   (d) The Food Safety and Standards Act, 2006

   (e) The Indian Boilers Act, 1923

We have also examined compliance with the applicable clauses/regulations of the following:

(i) Auditing and Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into with BSE Limited and National Stock Exchange of India Limited;

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

We further report that, having regard to the compliance system prevailing in the Company and on examination of relevant documents and records in pursuance thereof, on test check basis, the Company has complied with all the applicable laws.

We further report that:

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/Listing Agreement.

Adequate notice is given to all directors to schedule the board meetings, agenda and detailed notes on agenda were sent in advance as required, 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.

All the decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be. We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the financial year the Company had following events which had bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Standards etc.,

1. The Company has subscribed during the year an amount of ₹80 crores to the capital of M/s. Immunoadaptive Cell Therapy Private Limited, thereby the equity capital has gone up from 27.57% to 34.89%.
2. The Company has purchased 37,641 equity shares of ₹10/- each of Laurus Bio Pvt. Ltd. from one of the Promoters and others for an amount of ₹71.59 crores, thereby the shareholding of the Company has gone up from 76.60% to 91.14%.
3. The Company has issued and allotted 2,83,790 equity shares of ₹2/- each and 31,143 equity shares of ₹2/- each to the eligible employees during December, 2023 under Grant-1 and Grant-2 of ESOP 2018 schemes respectively.

For RPR & ASSOCIATES
Company Secretaries

Y Ravi Prasada Reddy
Proprietor
FCS No. 5783, C P No. 5360
UDIN: F005783F000239863
Peer Review Certificate No. 1425/2021

Place: Hyderabad
Date: April 25, 2024

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

Annexure

To
The Members,
M/s. LAURUS LABS LIMITED
Laurus Enclave, Plot Office 01, E. Bonangi Village,
Parawada Mandal, Anakapalli District, Andhra Pradesh – 531021.

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

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and 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. We believe that the process and practices followed by us provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management representations about the compliance of laws, rules and regulations and happening of events etc.,
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For RPR & ASSOCIATES
Company Secretaries

Y Ravi Prasada Reddy
Proprietor
FCS No. 5783, C P No. 5360
Peer Review Certificate No. 1425/2021

Place: Hyderabad
Date: April 25, 2024

Annexure – 4

Annual Report on CSR Activities for FY 2023-24

1 Brief outline on CSR Policy of the Commpany: **The scope of the CSR Policy would including all/any acitivities specified in Schedule VII of the Companies Act, 2013**

2 Composition of the CSR Committee:

Sr. No.	Name of the Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetins of CSR Committee attended during the year
1	Mr. VV Ravi Kumar	Chairman of the Committee. Executive Director and Chief Financial Officer	3	3
2	Mrs. Aruna Bhinge	Member and Independent Director	3	3
3	Mr. Chandrakanth Ch	Member and Non-Executive Director	2	1
4	Dr. CV Lakshmana Rao	Member and Executive Director	1	1

3 Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Commpany: **www.lauruslabs.com**

4 Provide the 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: **www.lauruslabs.com**

5 (a) Average Net Profit of the Company as per sub-section (5) of Section 135: **₹1,100.48 crores**

(b) Two percent of average net profit of the Company as per sub section (5) of Section 135: **₹22.01 crores**

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

(d) Amount required to be set off for the financial year if any: **Nil**

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: **₹22.01 crores**

6 (a) Amount spent on CSR Projects (both Ongoing Projects and other than Ongoing Projects): **₹22.28 crores**

(b) Amount spent in Administrative Overheads: **NIL**

(c) Amount spent on Impact Assessment, if applicable: **₹4.00 Lakhs**

(d) Total amount spent for the Financial year [(a)+(b)+(c)]: **₹22.28 crores**

(e) CSR Amount spent or unspent for the Financial Year:

Total amount spent for the FY (in ₹)	Amount unspent (in ₹)		
	Total amount transferred to Unspent		
	CSR Account as per Section 135(6)	Amount transferred to fund specified under Schedule	
	Amount Date of Transfer	VII as per second proviso to Section 135 (5)	
		Name of the Fund Amount	Date of Transfer
22.28 cr.	**Nil**	**Not Applicable**	

(f) Excess Amount for set off, if any:

Sr. No.	Particulars	Amount (₹in crores)
1	2	3
i	Two percent of average net profit of the company as per sub-section (5) of section 135	₹22.01 crores
ii	Total amount spent for the Financial Year	₹22.28 crores
iii	Excess amount spent for the Financial Year [(ii)-(i)]	₹0.27 crores
iv	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
v	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

Annexure – 4

7 Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: **Not Applicable**

1	2	3	4	5	6		7	8
Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under Section 135(6) (In ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount spent in the Financial Year (In ₹)	Amount transferred to a fund specified under Schedule VII as per second proviso to Section 135(6), if any		Amount remaining to be spent in succeeding financial years (In ₹)	Deficit, if any
					Amount (In ₹)	Date of Transfer		
1	FY-1							
2	FY-2							
3	FY-3							

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

S. No.	Particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of Creation	Amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration No. if applicable	Name	Registered Address
Not Applicable							

9 Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5): **Not Applicable**

Sd/-
Dr. Satyanarayana Chava
Whole time Director & CEO

Sd/-
Mr. V. V. Ravi Kumar
Chairman of CSR Committee
Whole time Director & CFO

Annexure – 5.1

Employee Worked for full Financial year & Received Aggregate Remuneration of not Less Than One Hundred And Two Lakh Rupees / Top Ten Employees (Including Employer Contribution to PF)

Sr. No.	Name of the Employee	Designation	Remuneration received (CTC in ₹) FY 2023-24	Nature Contract/ Permanent	Qualification & Experience in years	Date of commencement of employment	Age of employee	Last Employment held before joining the Company	No. of Equity shares held	Whether relative of Director
1	Dr. Satyanarayana Chava*	Executive Director & Chief Executive Officer	13,47,14,409	Permanent	M.sc., Ph.D; 38	21-Jan-06	63	Matrix Laboratories Ltd.	124126740	Yes
2	Mr. Venkata Ravi Kumar Vantaram #	Executive Director & Chief Financial Officer	4,38,11,860	Permanent	M.Com, FCMA; 35	30-Nov-06	59	Matrix Laboratories Ltd.	7705000	No
3	Dr. Chunduru Venkata Lakshmana Rao	Executive Director	2,87,33,337	Permanent	M.sc., Ph.D; 36	07-Feb-07	62	Mayne Pharma, Australia	13450145	No
4	Mr. Srinivasa Rao Suryadevara	President	1,89,11,604	Permanent	M.Sc; 30	02-Apr-08	56	Matrix Laboratories Ltd.	845108	No
5	Mr. Krishna Chaitanya Chava	President	1,61,28,115	Permanent	M.S; M.B.A, 10	17-Apr-17	34	Dr.Reddy's Laboratories Ltd.	20699	Yes
6	Mr. Sumeet Sobti	Senior Vice-President	1,60,40,050	Permanent	B.Pharmacy: 29	14-Sep-15	52	Ranbaxy Laboratories Ltd.	74470	No
7	Mr. Chagarlamudi Sita Ramaiah	Executive Vice-President	1,42,54,945	Permanent	FCA; 24	20-Aug-07	51	Matrix Laboratories Ltd.	550000	No
8	Mr. Suryadevara Srinivasa Rao	Executive Vice-President	1,21,58,124	Permanent	M.Sc; 31	27-Jul-06	57	Auctus Pharma	125000	No
9	Mr. Narasimha Rao Chava	Executive Vice President	1,24,36,235	Permanent	M.A, 31	14-Mar-07	56	Dolphin Chemicals PVt Ltd.	119675	Yes
10	Mr. Rajaram	Executive Vice-President	1,23,56,879	Permanent	MICA,MBA: 26	04-Mar-20	50	Mankind Pharma	6703	No
11	Mr. Girish Kottapalli	Vice-President	1,08,17,881	Permanent	B.Tech;25	10-Dec-10	49	Ecologic Technologies Pvt. Ltd.	133820	No
12	Mr. Babchand Nurubasha	Vice-President	1,03,06,161	Permanent	M.P.I.B, 23	01-Nov-07	48	Matrix Laboratories Ltd.	327145	No
13	Mr. Radhakrishna Sunkara	Vice-President	1,06,39,887	Permanent	M.SC.,PH.D; 28	05-Nov-11	54	Johnson & Johnson	167000	No
14	Mr. Giridhar Mukkamala	Senior Vice-President	1,05,51,647	Permanent	B.SC,PGDCA, PGDCAQM, 27	19-Nov-07	56	Matrix Laboratories Ltd.	121080	No

Note: 1. Dr. Satyanarayana Chava is holding shares on behalf of M/s. NSN Holdings as an Authorised Representative

2. Mr. V.V. Ravi Kumar is holding 6705000 shares on behalf of M/s. Leven Holdings as an Authorised Representative and 1000000 shares on his individual capacity

Employee Worked Part of the Financial year & Received Aggregate Remuneration of not Less Than Eight Lakh Fifty Thousand Rupees Per Month (Including Employer Contribution to PF)

S. No.	Name of the Employee	Designation	Remuneration received (CTC in ₹) FY 2023-24	Nature Contract/ Permanent	Qualification & Experience in years	Date of commencement of employment	Date of exit of employment	Age of employee	Last Employment held before joining the Company	No. of Equity shares held
1	Mr. Dammalapati Venkata Lakshmi Narasimha Rao	Executive Vice-President	88,44,658	Permanent	M.Sc; PGDEM; PGDCA;30	04-Sep-07	30-Jun-23	55	Matrix Laboratories Ltd.	485000
2	Ms. Soumya Chava	Executive Vice-President	59,33,585	Permanent	MS, PG Diploma in patent Laws;13	02-Aug-23	continuing	37	Theia Jewellery Pvt. Ltd.	10440

Annexure – 5.2

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1 The ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Sr. No.	Name & Designation	Ratio
1	Dr. Satyanarayana, Whole-time Director & CEO	294
2	Mr. V. V. Ravi Kumar, Whole-time Director & CFO	96
3	Venkata Lakshmana Rao C, Whole-time Director	63
4	Mr. Chandrakanth Chereddi, Director	6
5	Dr. Ravindranath K, Independent Director	5
6	Mrs. Aruna Bhinge, Independent Director	6
7	Dr. Rajesh Koshy Chandy, Independent Director	9
8	Dr. M. Venu Gopala Rao, Independent Director	6

2 The percentage increase in remuneration of each Director, Chief Financial Officer; Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

	Name & Designation	Increase in percentage
1	Dr. Satyanarayana, Whole-time Director & CEO	(25%)
2	Mr. VV Ravi Kumar, Whole-time Director & CFO	(8%)
3	Venkata Lakshmana Rao C, Whole-time Director	(9%)
4	Mr. Chandrakanth Chereddi, Director	(45%)
5	Dr. Ravindranath K, Independent Director	10%
6	Mrs. Aruna Bhinge, Independent Director	7%
7	Dr. Rajesh Koshy Chandy, Independent Director	2%
8	Dr. M.Venu Gopala Rao, Independent Director	4%
9	Mr. G. Venkateswar Reddy, Vie President (Legal & Secretarial) and Company Secretary	0%

3	The percentage increase in the median remuneration of employees in the financial year was	3%
4	The number of permanent employees on the rolls of the Company as on March 31, 2024 was	6,007
5	Average increment of other than the managerial personnel	13%

It is hereby affirmed that the above remuneration is as per the Remuneration policy of the Company

Annexure – 6

Details of Employees Stock Option Scheme

Pursuant to Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014

1. The details of Stock Options as on March 31, 2024 under the Employees Stock Option Scheme-2016 of the Company are as under:

S.No.	Particulars	Grant-1	Grant-2	Grant-3	Grant-4	Total
a	Options granted					
	Options granted initially	1,78,438	5,37,150	2,70,750	3,50,500	
	Additional options granted pursuant to Bonus Issue	5,15,814	-	-		
	Total Options granted	6,94,252	5,37,150	2,70,750	3,50,500	
	Total Options in force - After Split	6,94,252	25,14,750	2,70,750	3,50,500	38,30,252
b	Options vested	6,06,500	23,55,100	--	--	29,61,600
c	Options exercised	6,06,500	23,55,100	--	--	29,61,600
d	The total no. of shares arising as a result of exercise of options	6,06,500	23,55,100	--	--	29,61,600
e	Options lapsed - After Split	87,752	1,59,650	28,500		2,75,902
f	The Exercise Price (₹)	137.50	292.00	350.00	301.50	--
g	The Exercise Price (₹) - After Split		58.40	--	--	--
h	Variations of terms of Options	Nil	Nil	Nil	Nil	Nil
i	Money realised by exercise of options	8,33,93,750.00	13,75,37,840.00	--	--	22,09,31,590.00
j	Total number of options in force	0	0	2,42,250	3,50,500	5,92,750

Employee-wise details of options granted during the year 2023-24 to –

(i) Key Managerial Personnel : Nil

(ii) Any other employee who receives a grant of options in any one year of options amounting to five percent or more of options granted during that year: Nil

(iii) Identified employees who were granted options, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant: Nil

2. The details of Stock Options as on March 31, 2024 under the Employees Stock Option Scheme-2018 of the Company are as under

S.No.	Particulars	Grant-1	Grant-2	Grant-3	Total
a	Options granted				
	Options granted initially	1,49,750	7,07,000	5,000	8,61,750
	Additional options granted pursuant to Split	5,99,000	--	--	5,99,000
	Total Options in force - After Split	7,48,750	7,07,000	5,000	14,60,750
b	Options vested	5,84,620	1,55,428	--	7,40,048
c	Options exercised	5,84,620	31,143	--	6,15,763
d	The total no. of shares arising as a result of exercise of options	5,84,620	31,143	--	6,15,763
e	Options lapsed	1,64,130	1,00,438	--	2,64,568
f	The Exercise Price (₹)	255.50	--	--	--
	The Exercise Price (₹) - After Split	51.10	356.00	350.00	--
g	Variations of terms of Options	Nil	Nil	Nil	Nil
h	Money realised by exercise of options	2,98,74,082.00	1,10,86,908.00	--	4,09,60,990.00
i	Total number of options in force	--	5,75,419	5,000	5,80,419

Annexure – 6

Employee-wise details of options granted during the year 2023-24 to –

(iv) Key Managerial Personnel : Nil

(v) Any other employee who receives a grant of options in any one year of options amounting to five percent or more of options granted during that year: Nil

(vi) Identified employees who were granted options, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant: Nil

3. The details of Stock Options as on March 31, 2024 under the Employees Stock Option Scheme-2021 of the Company are as under:

S.No.	Particulars	Grant-1	Total
a	Options granted	7,87,500	7,87,500
b	Options vested	--	--
c	Options exercised	--	--
d	The total no. of shares arising as a result of exercise of options		
--			
--			
e	Options lapsed	--	--
f	The Exercise Price (₹)	301.50	--
g	Variations of terms of Options	Nil	Nil
h	Money realised by exercise of options	--	--
i	Total number of options in force	7,87,500	7,87,500

Employee-wise details of options granted during the year 2023-24 to –

(i) Key Managerial Personnel : Nil

(ii) Any other employee who receives a grant of options in any one year of options amounting to five percent or more of options granted during that year: Nil

(iii) Identified employees who were granted options, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant: Nil

Annexure – 7

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

A. Conservation of energy:

(i)	The steps taken or impact on conservation of energy	• Energy optimisation through HVAC system in Unit-2 • New Tata E.V vehicles purchased for Unit-1&3
(ii)	The steps taken by the Company for utilising alternate sources of energy	• During the year 42,594 tons of steam purchased from waste heat recovery boiler which saved natural resource and energy. • We have taken significant step towards sustainability by securing a 26% stake in Ethan Energy India. This strategic move empowers us to fully harness the clean energy generated by Ethan Energy India's 10 MW solar plant • We have taken the initiative to install solar power panels in Unit-2 & Unit-6.
(iii)	The capital investment on energy conservation equipment	• Energy optimisation through HVAC system approximately 2.5 crore.

B. Technology Absorption:

(i)	The efforts made towards technology absorption		• Energy optimisation through HVAC system in Unit-2
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution		• During the year 42,594 tons of steam purchased from waste heat recovery boiler which saved around 117,672 GJ of energy. • Step towards increasing green energy, 74,426 GJ of solar power generated and consumed during the year 2023-24 • 6,223 GJ of Power saved by Installing Variable-frequency drive (VFD) at various equipment's across the organisation
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)		
	(a)	The details of technology imported	Nil
	(b)	The year of import	
	(c)	Whether the technology has been absorbed	
	(d)	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	
(iv)	The expenditure incurred on Research and Development		₹ 219 crores (Opex), ₹ 22 crores (Capex) and Total ₹ 241 crores

C. Foreign Exchange Earnings and Outgo:

Total Forex Inflow ₹ 3,054 crores

Total Forex Outflow ₹ 1,215 crores

ESOP Certificate

To
The Board of Directors
M/s. Laurus Labs Limited
Laurus Enclave, Plot Office 01, E. Bonangi Village,
Parawada Mandal, Anakapalli District, Andhra Pradesh – 531021.

Secretarial Auditors Certificate on implementation of "Employee Stock Option Scheme 2016", "Employee Stock Option Scheme 2018" and "Employee Stock Option Scheme 2021" of "Laurus Labs Limited"

1. This certificate is issued in accordance with the terms of our engagement letter dated April 8, 2024.

2. We, RPR & Associates, Company Secretaries, the Secretarial Auditors of M/s. Laurus Labs Limited (the Company) having its registered office at Laurus Enclave, Plot Office 01, E. Bonangi Village, Parawada Mandal, Anakapalli District, Andhra Pradesh – 531021, have examined the implementation of Employee Stock Option Scheme 2016, Employee Stock Option Scheme 2018 and Employee Stock Option Scheme 2021 of the Company for the year ended March 31, 2024 as stipulated under Regulation 13 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI Regulations"), as amended from time to time.

Management's Responsibility

3. The implementation of the said Schemes, in accordance with the SEBI Regulations, as amended from time to time, and also in accordance with the resolutions passed by the Members of the Company is the responsibility of the Management of the Company. The Management of the Company is also responsible for design, implementation and maintenance of internal control relevant to the preparation and presentation of the said Schemes, maintenance of proper books of account, other relevant records and documents as prescribed under the aforesaid Regulations.

Auditor's Responsibility

4. Our responsibility, for the purpose of this certificate, is limited to the review of the procedures and implementation thereof, adopted by the Company for the year ended March 31, 2024 in respect of the compliance with the aforesaid SEBI Regulations.

Opinion

5. Based on our examination as above, and according to the information and explanations provided to us by the Management of the Company, we certify that the Employee Stock Option Scheme 2016, Employee Stock Option Scheme 2018 and Employee Stock Option Scheme 2021 the of the Company, have been implemented for the year ended March 31, 2024 in accordance with the provisions of SEBI Regulations, as amended from time to time, and in accordance with the resolutions passed by the Members of the Company.

Restriction on Use

6. This Certificate is addressed to and provided to the Board of Directors of the Company for the purpose of placing the same before the Members of the Company at the ensuing Annual General Meeting of the Company and should not be used for any other purpose without our prior written consent.

For RPR & ASSOCIATES
Company Secretaries
UDIN: 005783F000239973

Y. Ravi Prasada Reddy
Proprietor
FCS No.5783, CP No.5360
Peer Review Certificate No. 1425/2021

Place: Hyderabad
Date: April 25, 2024

Report on Corporate Governance

1. Company's Philosophy:

Laurus Labs works towards improving health outcomes for patients around the world through the manufacture of high-quality medicines and active pharmaceutical ingredients with one quality products for all Markets. Our Corporate Governance policies and procedures set the standard for how we engage with our stakeholders. We prioritise the long-term over the short-term to drive sustainable growth and create lasting value. With empowerment and accountability as its two pillars, our Corporate Governance code guides all our actions. We aim for total transparency and meet our societal commitments by being a responsible corporate citizen.

2. Board and its Composition:

Your Board comprises optimal combination of Independent Directors, Non-Executive Directors and Executive Directors having in-depth knowledge in the business of the pharmaceutical industry. The Chairman, who is a Non-Executive and Independent Director, and the Chief Executive Officer (CEO) of the Company have their own roles for better Corporate Governance Standards. The size and composition of the Board confirms to the requirements of the Corporate Governance code under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the brief profiles of the Directors are placed in the Company's website https://www.lauruslabs.com/leadership.html.

The composition of directors, their attendance and other details are as follows:

Sl No.	Name of the Director & DIN	Category of Directorship	Attendance at Board Meetings		No of Directorship in listed entities including this listed entity (Refer Regulation 25(1) of Listing Regulations)	Number of memberships / chairmanship in Audit / Stakeholders Committee(s) including this listed entity (Refer Regulation 26(1) of Listing Regulations)		Whether present at the previous AGM
			Held	Attended		Chairman	Member	
1.	Dr. Malempati Venugopala Rao DIN: 00012704	Chairman, Non-Executive and Independent Director	8	8	1	1	0	Yes
2.	Dr. Chava Satyanarayana DIN: 00211921	Promoter, Executive Director and Chief Executive Officer	8	8	1	0	0	Yes
3.	Mr. Venkata Ravi Kumar Vantaram DIN: 01424180	Promoter, Executive Director and Chief Financial Officer	8	7	1	0	1	Yes
4.	**Dr. Chunduru Venkata Lakshmana Rao DIN: 06885453	Promoter and Executive Director	8	8	1	0	1	Yes
5.	*Mr. Chereddi Chandrakanth DIN: 06838798	Non-Executive Director	4	4	1	1	1	Yes
6.	Mrs. Aruna Rajendra Bhinge DIN: 07474950	Non-Executive and Independent Director	8	8	3	0	3	Yes
7.	Dr. Rajesh Koshy Chandy DIN: 07575240	Non-Executive and Independent Director	8	7	1	0	1	Yes
8.	**Dr. Ravindranath Kancherla DIN: 00117940	Non-Executive and Independent Director	8	6	1	1	1	Yes

The Board met eight times in Financial Year 2023-24. The following are the dates in which the Board Meetings were held:

April 27, 2023; July 27, 2023; September 11, 2023; October 20, 2023; November 6, 2023; January 24, 2024; January 25, 2024 and March 15, 2024

* Mr. Chandrakanth Chereddi has resigned as a Director from the Board w.e.f. October 21, 2023.

** Dr. C.V. Lakshmana Rao has been appointed as member of Stakeholders Relationship Committee, Dr. Ravindranath Kancherla has been appointed as Chairman of Stakeholders Relationship Committee and Mrs.Aruna Bhinge has been appointed as member of Nomination and Remuneration Committee w.e.f. October 21, 2023 in place of Mr. Chandrakanth Chereddi.

Report on Corporate Governance

The names of the listed entities where the person is a director and the category of directorship:

Other than on the Board of the Company, which is a listed entity, the following Directors are holding directorship in other listed entities as shown below:

Mrs. Aruna Bhinge as an independent Director in:

a. Punjab Chemicals and Crop Protection Ltd. as Independent Director;

b. Mahindra EPC Irrigation Limited as Independent Director

Other than the above, no other directors are directors on any other listed entity.

Disclosure of relationships between directors inter-se:

Mr. Chandrakanth Chereddi is son-in-law of Dr. Satyanarayana Chava. Other than these two directors, none of the directors are related to any other director.

Number of shares held by non-executive directors:

Mr. Chandrakanth Chereddi, Dr. MVG Rao, Mrs. Aruna Bhinge, and Mr. Ravindranath Kancherla are holding 42,000, 38,500, 17,500 and 5,60,000 equity shares respectively as on March 31, 2024. Dr. Rajesh Chandy is not holding any shares or convertible instruments in the Company.

Details about familiarisation programme:

During the year, no new Director was inducted on the board.

The senior management personnel of the Company regularly make presentations to the Board members on the operations of the Company, its plans, strategy, risks involved, new initiatives etc. and seek their views and suggestions on the same. The Board members have been provided with various policies of the Company including Code of Conduct for Directors and Senior Management Personnel etc.

The details of these familiarisation programs have been placed on the Company's website at

https://www.lauruslabs.com/corporate-governance-familiarization.html

List of core skills / expertise / competencies identified by the board as required in the context of its business(es) and sector(s) for an efficient functioning and those actually available with the Board:

a. Hands on Pharma industry experience in sourcing, manufacturing, marketing and business development

b. Accounting, Financial, Budget, Costing expertise

c. Legal and HR expertise

d. Experience in Quality

e. Expertise in Corporate Governance

f. Formulation of effective strategy

The Board members possess the following core skills / expertise / competencies:

Dr. M V G Rao – a,b,e and f of above

Dr. Satyanarayana Chava – a, d, e and f of above

Mr. V. V. Ravi Kumar – b, c, e and f of above

Dr. C. V. Lakshmana Rao – d, e and f of above

Dr. Rajesh Chandy – a, b, e and f of above

Mrs. Aruna Bhinge – a, b, e and f of above

Dr. Ravindranath Kancherla – a, e and f of above

Confirmation about Independent Directors:

This is to confirm that in the opinion of the board, the independent directors fulfil the conditions specified in SEBI (LODR) Regulations, 2015 and are independent of the management.

As required by SEBI (LODR) Regulations, 2015, a certificate from Company Secretary in Practice 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, is attached to this Report as **Annexure-A**.

Further, Annual Secretarial Compliance Report issued by the Company Secretary in Practice pursuant to Circular dated February 8, 2019 issued by SEBI is also attached to this Report as **Annexure-B**.

Details of Directors proposed for re-appointment and regularisation at the Annual General Meeting:

Mr. V.V. Ravi Kumar shall retire by rotation and being eligible, seek re-appointment. The details of the director are as follows:

Mr. V. V. Ravi Kumar:

Mr. Ravi Kumar is an Executive Director at Laurus Labs since 2006. He holds bachelor's and master's degrees in Commerce from Andhra University and is a fellow member of the Institute of Cost Accountants of India (formerly ICWAI). With over three decades of experience in finance, information technology, HR and supply chain, he contributes significantly to formulating and executing core strategies for the Company. His knowledge in dealing with mergers, acquisitions and joint venture management in the global context helped Laurus Labs emerge as a global pharmaceutical player.

Directorship Details:

Sr. No.	Name of the Companies/Bodies Corporate / Firms / Association of Individuals	Nature of Interest or Concern / change in Interest or Concern	Share holding	Date on which interest or Concern arose / changed
1.	Laurus Labs Limited CIN: L24239AP2005PLC047518	Whole-time Director and Member	77,05,000 Shares (1.43%)	30/11/2006
2.	Laurus Bio Private Limited CIN: U02423KA2005PTC036770	Director	Nil	20/01/2021
3.	Laurus Holdings Limited (UK Company)	Director	Nil	10/07/2017
4.	Leven Holdings	Managing Partner	80%	02/07/2021

Committee Membership Details:

Sr. No.	Name of the Company	Name of the Committee	Whether Chairman/Member
1.	Laurus Labs Limited CIN: L24239AP2005PLC047518	Stakeholders Relationship Committee	Member
2.	Laurus Labs Limited CIN: L24239AP2005PLC047518	Corporate Social Responsibility	Chairman
3.	Laurus Labs Limited CIN: L24239AP2005PLC047518	Risk Management Committee	Member

3. Committees of the Board:

(I). Audit Committee

The Audit Committee of the Board is headed under the stewardship of Dr. Malempati Venugopala Rao. The other members of the Committee are Mrs. Aruna Bhinge and Dr. Rajesh Chandy. The Composition of the Audit Committee meets the requirement of Section 177 of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee reviews reports of the Internal Auditors, meets Statutory Auditors as and when required and discusses their findings, suggestions, observations and other related matters. It also reviews major accounting policies followed by the Company. The terms of reference of this Committee are as per SEBI (LODR) Regulations, 2015, as amended.

During the year, the Audit Committee met 4 (Four) times on April 27, 2023; July 27, 2023; October 20, 2023 and January 24, 2024 and the attendance of members is as follows:

Sl No.	Name of the Audit Committee Member	No. of Meetings held	No. of Meetings attended
1.	Dr. Malempati Venugopala Rao Chairman & Independent Director DIN: 00012704	4	4
2.	Mrs. Aruna Bhinge Independent Director DIN: 07474950	4	4
3.	Dr.Rajesh Koshy Chandy Independent Director DIN: 07575240	4	4
4.	*Mr. Chandrakanth Chereddi Non-Executive Director DIN: 06838798	3	3

* Mr. Chandrakanth Chereddi has resigned as a Director from the Board w.e.f. October 21,2023.

(II). NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Board is headed by Dr. Ravindranath Kancherla. The other members of the Committee are Dr. Rajesh Koshy Chandy and Mrs.Aruna Bhinge.

Pursuant to the resignation of Mr. Chandrakanth Chereddi as a Director from the Board, the committee has been reconstituted and Mrs. Aruna Bhinge has been appointed as member of the Committee w.e.f. October 21, 2023 in place of Mr. Chandrakanth Chereddi.

The Nominations & Remuneration Committee has reviewed and evaluated the performance evaluation criteria for Board and its Committees and Directors including Independent Directors as per SEBI Circular dated January 5, 2017.

During the year, the Nomination and Remuneration Committee met 3 (Three) times on April 26, 2023; January 23, 2024 and March 14, 2024 and the attendance of members is as follows:

Report on Corporate Governance

Sl No.	Name of the Committee Member	No. of Meetings held	No. of Meetings attended
1.	Dr. Ravindranath Kancherla. Independent Director DIN: 00117940	3	3
2.	Dr. Rajesh Koshy Chandy Independent Director DIN: 07575240	3	3
3.	Mr. Chandrakanth Chereddi Non-Executive Director DIN: 06838798	1	1
4.	Mrs. Aruna Bhinge Independent Director DIN: 07474950	2	2

(III). STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee is previously headed under the stewardship of Mr. Chandrakanth Chereddi and the other members of the committee were Mr. V.V. Ravi Kumar and Dr. K. Ravindranath.

Pursuant to the resignation of Mr. Chandrakanth Chereddi as a Director from the Board, the committee has been reconstituted and is now headed under the stewardship of Mr. Ravindranath Kancherla. The Other members of the Committee are Mr. V.V. Ravi Kumar and Dr. C.V. Lakshmana Rao w.e.f. October 21, 2023.

Mr. G. Venkateswar Reddy, Company Secretary is the Compliance Officer of the Company.

The Company has received 24 complaints during the year 2023-24; resolved 24 complaints and no complaints were pending as on March 31, 2024.

During the year, the Stakeholders' Relationship Committee met once on April 26, 2023.

(IV). CSR COMMITTEE:

The CSR Committee was headed by Mr. V.V. Ravi Kumar, the other members being Mrs. Aruna Rajendra Bhinge and Mr. Chandrakanth Chereddi.

Pursuant to the resignation of Mr. Chandrakanth Chereddi as a Director from the Board, the committee has been reconstituted and Dr. C.V. Lakshmana Rao has been appointed as member of CSR Committee w.e.f. October 21, 2023 in place of Mr. Chandrakanth Chereddi.

During the year, the CSR Committee has met 3 (Three) times on April 26, 2023; October 19, 2023 and January 23, 2024 and attendance of members is as follows:

Sl No.	Name of the Committee Member	No. of Meetings held	No. of Meetings attended
1.	Mr. V. V. Ravi Kumar Executive Director & CFO DIN: 01424180	3	3
2.	Mrs. Aruna Bhinge Independent Director DIN: 07474950	3	3
3.	Mr. Chandrakanth Chereddi Non-Executive Director DIN: 06838798	2	1
4.	Dr. C V Lakshmana Rao Executive Director DIN: 06885453	1	1

(V). RISK MANAGEMENT COMMITTEE:

The Risk Management is headed by Dr. Satyanarayana Chava, CEO of the Company and the following are the other members:

Mr. V.V.Ravi Kumar

Mr. Chandrakanth Chereddi

Dr. Rajesh Koshy Chandy

Dr. C.V. Lakshmana Rao

The Risk Management Committee shall review the Risk Management Plan of the Company at periodic intervals and takes steps to identify and mitigate the risks involved.

During the year, The Risk Management Committee met twice on September 7, 2023 and February 29, 2024 and the attendance of the members is as follows;

Sl No.	Name of the Committee Member	No. of Meetings held	No. of Meetings attended
1.	Dr. Satyanarayana Chava Executive Director & CEO DIN: 00211921	2	2
2.	Mr. V. V. Ravi Kumar Executive Director & CFO DIN: 01424180	2	2
3.	Dr. C V Lakshmana Rao Executive Director DIN: 06885453	2	1
4.	Dr. Rajesh Koshy Chandy Independent Director DIN: 07575240	2	2
5.	*Mr. Chandrakanth Chereddi Non-Executive Director DIN: 06838798	1	0

*Mr. Chandrakanth Chereddi has resigned as a Director from the Board w.e.f. October 21,2023.

Senior management:

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

Please refer **page no. 79** for the details

Remuneration to Directors:

Details of remuneration paid to Directors during the financial year 2023-24 are as follows:

a) Executive Directors:

In Rupees

Sr. No.	Name of the Director	Salary	Bonus	Perks	Others	Total
1	Dr. Satyanarayana Chava	10,86,11,172		59,16,826	2,01,86,411	13,47,14,409
2	Mr. Venkata Ravi Kumar Vantaram	3,59,08,368		16,24,703	62,78,789	4,38,11,860
3	Dr. Chunduru Venkata Lakshmana Rao	2,38,16,232		8,84,114	40,32,991	2,87,33,337

b) Non-Executive Directors:

Non-Executive Independent Directors are paid sitting fee of ₹50,000 for attending each meeting of the Board of Directors and each meeting of the Committee of Directors. Further, Independent Directors are paid Remuneration as well, the details of which are provided below:

In Rupees

S. No.	Name of the Director	Remuneration/₹	Sitting Fee/₹
1.	Dr. Malempati Venugopala Rao	20,00,000	6,00,000
2.	Mrs. Aruna Rajendra Bhinge	20,00,000	8,50,000
3.	Dr. Rajesh Koshy Chandy	33,13,712	8,00,000
4.	Dr. Ravindranath Kancherla	20,00,000	5,00,000
5.	Mr. Chandrakanth Chereddi*	22,17,391	5,00,000

*Mr. Chandrakanth Chereddi has resigned as a Director from the Board w.e.f. October 21, 2023.

Report on Corporate Governance

Service Contracts, Severance Fee: Nil

Notice Period for Executive Directors: 3 months

Stock Options details, if any: Nil

Nomination/Remuneration Policy:

The compensation of the Executive Directors comprises of fixed component, perquisites and performance based incentive and is determined based on the remuneration prevailing in the industry and the performance of the Company. The remuneration package of the Executive Directors is periodically reviewed and suitable revision is recommended to the Board by the Nomination and Remuneration Committee. The Board shall recommend the same for the approval of the Shareholders.

The nomination and remuneration policy as adopted by the Board is placed on the Company's website at:

https://www.lauruslabs.com/Investors/PDF/Policies/Remuneration_Policy.pdf

Performance evaluation criteria for independent directors:

The performance evaluation is done on an annual basis by the Board of Directors of the Company.

On the basis of the report of performance evaluation, it is determined by the Board whether to extend or continue the term of appointment of Independent Director subject to all other applicable provisions.

Independent Directors Meeting:

Schedule IV of the Companies Act, 2013 and the Rule thereunder mandate that the independent directors of the Company hold at least one meeting in a year, without the attendance of non-independent directors and members of the Management. It is recommended that all the independent directors of the Company be present at such meetings.

Independent Directors meeting was held on March 14, 2024 and all the Independent Directors attended the meeting.

Disclosure of Board Evaluation:

The Performance Evaluation has been carried out for:

(i) The board as a whole,

(ii) Individual directors (including Independent Directors and chairperson) and

(ii) Various committees of the board.

Previous year's observations and actions taken:

There are no observations and actions pending to be taken by the Company and the Board is satisfied with all the processes being followed by the management and is hopeful in continuing the same good governance practices in the Company.

Shareholders

Annual General Meetings (AGM's):

Venue, date and time of the Last Three Annual General Meetings:

(i).	Financial Year	2020-21
	Date	July 15, 2021 – 03.00 PM
	Venue	Video Conference/Other Audio Visual Means (OAVM)
	Special Resolutions	Modification of terms of Bonus in Employment Contrat Of Dr. Satyanarayana Chava (Din 00211921), Executive Director And Chief Executive Officer Of The Company
		Modification of terms of Bonus In Employment Contrat of Mr. V. V. Ravi Kumar (DIN 01424180), Executive Director and Chief Financial Officer of the Company
		Modification of terms of Bonus in Employment Contrat of Dr. Lakshmana Rao C V, (DIN 06885453), Whole-Time Director of the Company
		Reappointment of Mrs. Aruna Bhinge as Independent Director
		Reappointment of Dr. Rajesh Koshy Chandy as Independent Director
		Approval of Laurus Labs Employees Stock Option Scheme 2021
		Approval for grant of options under Laurus Labs ESOP Scheme 2021 (ESOP Scheme 2021) to the eligible employees of the subsidiary companies
		Alteration of Clauses of Articles of Association of the Company
(ii).	Financial Year	2021-22
	Date	June 30, 2022 – 04.00 PM
	Venue	Video Conference/Other Audio Visual Means (OAVM)
	Special Resolutions	Reappointment of Dr. Malempati Venugopala Rao as Independent Director for a further period of 2 years Reappointment of Dr. Ravindranath Kancherla as Independent Director for a further period of 5 years
(iii).	Financial Year	2022-23
	Date	July 14, 2023 – 03.00 PM
	Venue	Video Conference/Other Audio Visual Means (OAVM)
	Special Resolutions	NIL

Whether any special resolution passed last year through postal ballot – No

Person who conducted Postal Ballot – Not Applicable.

Whether any special resolution is proposed to be conducted through postal ballot – No

Procedure for Postal Ballot: As per Rule 22 of Companies (Management and Administration) Rules, 2014.

Means of Communication:

The quarterly reports, along with additional information and official news releases, are posted on our website www.lauruslabs.com. Moreover, the quarterly / annual results and official news releases are generally published in Business Standard (English) and Prajasakthi (Telugu) newspapers.

Earnings calls with analysts and investors and their transcripts and audio recordings are also posted on the website. Further, all material information which has any impact on the operations of the Company is sent to the Stock Exchanges and also the same shall be placed on the Company's website.

The Management Discussion and Analysis forms part of this Report and is provided separately in this Annual Report.

General Shareholder Information:

The 19th Annual General Meeting of the Company will be held through Video Conference (VC) at 3 p.m. on Thursday the 11th day of July, 2024.

The Financial Year of the Company is from April 1, to March 31, next every year.

The Board has declared one interim dividend @ 20% as 1st interim dividend (i.e. ₹0.40 per share of the face value of ₹2/- each) in October, 2023 for FY 2023-24 and also proposed a second interim dividend @ ₹0.40 per share. Book closure for the purpose of AGM will be from July 5, 2024 to July 11, 2024 (both days inclusive). Cut-off date for e-voting is July 4, 2024.

The Shares of the Company are listed on the following Stock Exchanges:

(i). BSE Limited, Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Mumbai-400001; and

(ii). National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai – 400051.

The listing fees for the financial year has been paid to the respective stock exchanges.

Stock code: BSE Limited: 540222, NSE: LAURUSLABS. International Securities Identification Number (ISIN) for the Company's Equity Shares is INE947Q01028.

Depositories for Equity Shares:

(i). National Securities Depository Limited (NSDL) and

(ii). Central Depository Services Limited (CDSL).

Market Price data:

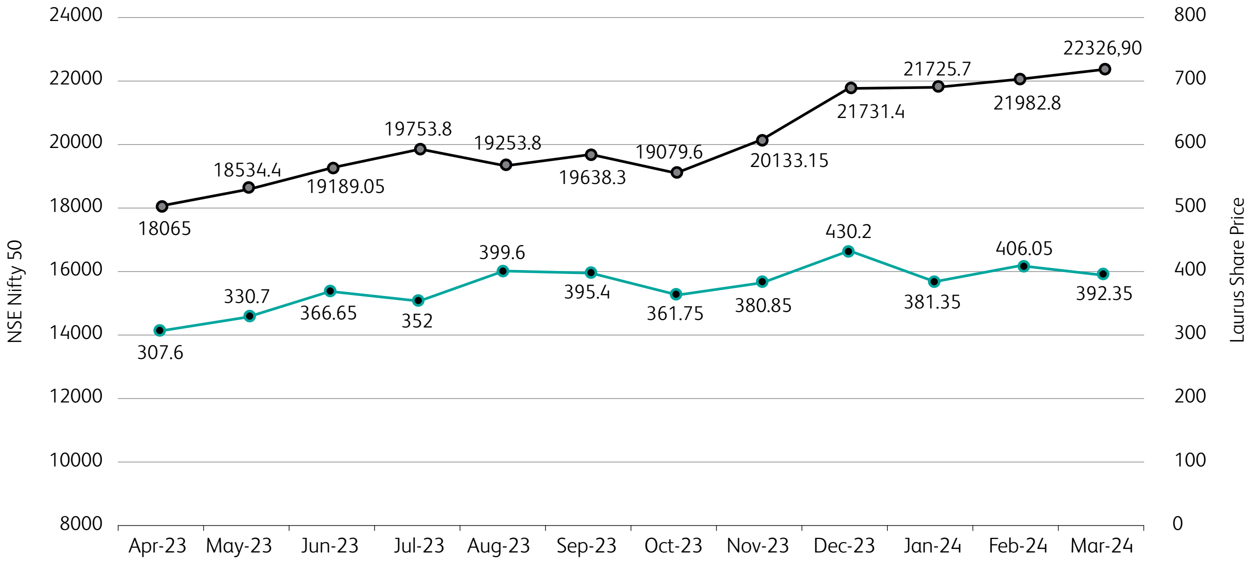
High, low market price during each month in the financial year and volume of shares traded on NSE:

	NSE				NIFTY 50		
Month	High	Low	Close	Volume	High	Low	Close
Apr-23	328.90	278.85	307.60	7,42,06,000	18,089.15	17,312.75	18,065.00
May-23	341.05	299.30	330.70	5,89,07,000	18,662.45	18,042.40	18,534.40
Jun-23	374.95	325.30	366.65	4,91,55,000	19,201.70	18,464.55	19,189.05
Jul-23	376.90	328.15	352.00	6,14,53,000	19,991.85	19,234.40	19,753.80
Aug-23	418.00	352.00	399.60	6,60,57,000	19,795.60	19,223.65	19,253.80
Sep-23	415.50	377.25	395.40	3,70,41,000	20,222.45	19,255.70	19,638.30
Oct-23	411.40	349.40	361.75	5,26,76,000	19,849.75	18,837.85	19,079.60
Nov-23	382.90	356.65	380.85	2,51,55,000	20,158.70	18,973.85	20,133.15
Dec-23	438.75	373.10	430.20	5,19,20,000	21,801.45	20,183.70	21,731.40
Jan-24	444.70	360.85	381.35	5,82,14,000	22,124.15	21,137.20	21,725.70
Feb-24	413.30	379.70	406.05	3,13,92,000	22,297.50	21,530.20	21,982.80
Mar-24	425.85	373.10	392.35	3,35,89,000	22,526.60	21,710.20	22,326.90

Chart given below shows the stock performance at closing prices in comparison to the broad-based index such as NSE Nifty 50.

Report on Corporate Governance

NSE NIFTY 50 VS LAURUS SHARE PRICE



	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
NSE Nifty 50	18065	18534.4	19189.05	19753.8	19253.8	19638.3	19079.6	20133.15	21731.4	21725.7	21982.8	22326,90
Laurus Share Price	307.6	330.7	366.65	352	399.6	395.4	361.75	380.85	430.2	381.35	406.05	392.35

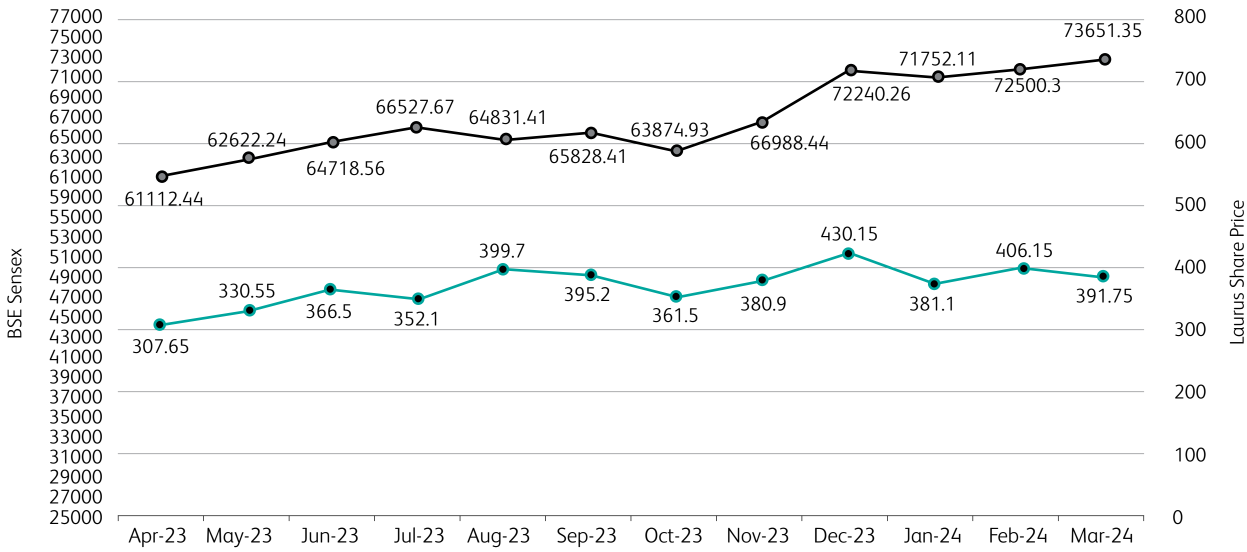
NSE Nifty 50 Vs Laurus Share Price — NSE Nifty 50 — Laurus Share Price

High, low market price during each month in the financial year and volume of shares traded on BSE:

	BSE				S&P BSE SENSEX		
Month	**High (₹)**	**Low (₹)**	**Close (₹)**	**Volume**	**High (₹)**	**Low (₹)**	**Close (₹)**
Apr-23	328.90	279.65	307.65	39,79,194	61,209.46	58,793.08	61,112.44
May-23	340.80	299.30	330.55	31,09,660	63,036.12	61,002.17	62,622.24
Jun-23	375.00	324.95	366.50	23,65,144	64,768.58	62,359.14	64,718.56
Jul-23	376.85	328.15	352.10	31,01,090	67,619.17	64,836.16	66,527.67
Aug-23	417.85	351.95	399.70	27,92,127	66,658.12	64,723.63	64,831.41
Sep-23	415.05	377.75	395.20	17,46,464	67,927.23	64,818.37	65,828.41
Oct-23	411.85	349.80	361.50	17,76,439	66,592.16	63,092.98	63,874.93
Nov-23	382.80	357.15	380.90	13,95,286	67,069.89	63,550.46	66,988.44
Dec-23	439.00	373.15	430.15	19,44,341	72,484.34	67,149.07	72,240.26
Jan-24	444.50	358.70	381.10	28,88,789	73,427.59	70,001.60	71,752.11
Feb-24	413.35	380.00	406.15	13,13,235	73,413.93	70,809.84	72,500.30
Mar-24	426.30	372.20	391.75	12,93,368	74,245.17	71,674.42	73,651.35

Chart given below shows the stock performance at closing prices in comparison to the broad-based index such as BSE Sensex.

BSE SENSEX VS LAURUS SHARE PRICE



	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
NSE Nifty 50	61112.44	62622.24	64718.56	66527.67	64831.41	65828.41	63874.93	66988.44	72240.26	71752.11	72500.3	73651.35
Laurus Share Price	307.65	330.55	366.5	352.1	399.7	395.2	361.5	380.9	430.15	381.1	406.15	391.75

BSE Sensex Vs Laurus Share Price — BSE Sensex — Laurus Share Price

There was no suspension of trading of securities of the Company during the year under review.

The Company's shares are transferable through the depository system. The Company has appointed KFin Technologies Limited (Formerly KFin Technologies Private Limited) as its Registrars and Share Transfer Agents and also Depository Transfer Agent. Shares received for physical transfers are generally registered within a period of 15 days from the date of receipt of the valid and duly filled up transfer deeds. The Company has signed a tripartite agreement with NSDL/CDSL and KFin Technologies Limited to facilitate dematerialisation of shares. As on March 31, 2024, the total shares of the Company are in demat form only. The Members may contact for the redressal of their grievances to either KFin Technologies or the Company Secretary of the Company.

KFin Technologies Limited
Selenium Building, Tower B, Plot No. 31-32,
Financial District, Nanakramguda,
Serilingampally, Hyderabad,
Telangana, 500032.
Tel: +91 40 6716 2222; Toll Free No.: 1-800-3454-001
Fax: +91 040-23001153
Email: einward.ris@kfintech.com
Website: https://www.kfintech.com

Distribution of Shareholding as on March 31, 2024:

Category (No. of Shares)		No. of Share Holders	%	No. of Shares	%
1	500	3,41,498	93.38	2,47,58,223	4.59
501	1,000	11,473	3.13	87,17,395	1.62
1,001	2,000	6,069	1.66	88,23,243	1.64
2,001	3,000	2,157	0.59	54,09,154	1.00
3,001	4,000	946	0.26	33,45,519	0.62
4,001	5,000	699	0.19	32,57,571	0.60
5,001	10,000	1,317	0.36	95,28,292	1.77
10,001andabove		1,533	0.42	47,51,26,461	88.15
Total		**3,65,692**	**100.00**	**53,89,65,858**	**100.00**

Report on Corporate Governance

Details of Shareholding as on March 31, 2024:

S. No.	Description	% of Shareholders	No. of Shares	% of Equity
1.	Physical	0	0	0
2.	NSDL	31.09	46,23,44,707	85.78
3.	CDSL	68.91	7,66,21,151	14.22
	Total	**100.00**	**53,89,65,858**	**100.00**

Dematerialisation of shares and liquidity:

53,89,65,858 shares representing 100% shares have been in dematerialisation form.

The Company has not issued any GDR/ADR and there are no outstanding warrants or any convertible instruments.

The Company has undertaken hedging activities for foreign exchange risk, whereas the Company has not undertaken any hedging for commodity price risk.

Location of Plants:

Unit 1

Plot No 21, Jawaharlal Nehru Pharma City, Parawada Visakhapatnam 531021, Andhra Pradesh, India.

Unit 2

APSEZ, Unit-2, Plot No 19, 20 and 21, APSEZ Gurajapalem, Atchutapuram, Visakhapatnam 531011, Andhra Pradesh, India.

Unit 3

Plot No 18, Jawaharlal Nehru Pharma City, Parawada Visakhapatnam 531021, Andhra Pradesh, India.

Unit 4

Plot No 25, Lalamkoduru, Atchutapuram, Visakhapatnam 531011, Andhra Pradesh, India.

Unit 5

Plot No 102 and 103, SEZ, Lemarthi, Parawada, Visakhapatnam 531021, Andhra Pradesh, India.

Unit 6

Plot No 22 D and 22 E, APSEZ Denotified Area, Atchutapuram, Visakhapatnam 531011, Andhra Pradesh, India.

Unit 8

Plot No. 18B, APSEZ De-Notified Area, Moturupalem, Pudi and Gurajapalem Villages, Rambilli Mandal, Anakapalli – 531 011

Andhra Pradesh, India.

Unit 10

Plot No.18B, APSEZ De-Notified Area, Gurajapalem and Pudi Villages, Rambilli Mandal, Anakapalli – 531 011 Andhra Pradesh, India.

Unit 11

6th Floor, Technopark, Indian Institute of Technology (IIT), Kalyanpur, Kanpur - 208016, Uttar Pradesh

Research & Development Centre

Plot No.DS 1&2, IKP Knowledge Park, Turkapally, Shameerpet, Hyderabad 500078, Telangana, India.

Address for correspondence:

Registered Office: Laurus Enclave, Plot Office 01, E.bonangi Village, Parawada Mandal, Anakapalli District, 531021, Andhra Pradesh, India.

Corporate Office: 2nd Floor, Serene Chambers, Road No. 7, Banjara Hills, Hyderabad 500034, Telangana, India.

Disclosures pertaining to credit rating:

Following are the Credit ratings obtained during the financial year, which are also available in the website of the Company http://lauruslabs.com/:

Rating Agency	Facilities Rated	Amount Rated (₹In crores)	Rating Assigned	Date of Rating
CARE Ratings Limited	Long Term Bank Facilities	2,289.56	CAREAA; Stable	June 22, 2023
CARE Ratings Limited	Short Term Bank Facilities	1206.00 (Assigned: 150 crores Reaffirmed:1056 crores)	CARE A1+	June 22, 2023

Other Disclosures:

Related Party transactions:

No transaction of material nature has been entered into by the Company with its Directors/Management and their relatives etc. that may have a potential conflict with the interest of the Company. The Register of Contracts containing transactions, in which Directors are interested, is placed before the Board regularly.

Transactions with Related Parties are disclosed in the Notes to Accounts in the Annual Report.

In terms of SEBI (LODR) Regulations 2015, the Audit Committee and Board of Directors of the Company have adopted a policy to determine the related party transactions. The policy is placed on the Company's website at

https://www.lauruslabs.com/Investors/PDF/Policies/POLICYONRELATEDPARTYTRANSACTIONSANDMATERIALITY-2022.pdf

Details of Non-compliances and penalties:

There were no instances of non-compliance or penalties/strictures by the stock exchanges/SEBI/statutory authorities on any matter related to capital markets during the last three years.

Vigil mechanism/Whistle Blower Policy:

The Board of Directors of the Company had adopted the Whistle Blower policy. The Company has established a mechanism for employees and Directors to report to the management, concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of conduct etc. The employees have been appropriately communicated within the organisation about the mechanism and have been provided direct access to the Chairman of the Audit Committee. The mechanism also lays emphasis on making enquiry into whistle blower complaint received by the Company. The Audit Committee reviews periodically the functioning of the whistle blower mechanism. No employee has been denied access to the Audit Committee. A copy of the Whistle Blower Policy is hosted on the Company's website at

https://www.lauruslabs.com/Investors/PDF/Policies/Whistle_Blower_Policy_29-07-2021.pdf

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with all the mandatory requirements of Corporate Governance as per SEBI (LODR) Regulations, 2015 and is in the process of implementing the non-mandatory requirements.

Policy on material subsidiaries:

In terms of the SEBI (LODR) Regulations, 2015, the Board of Directors of the Company has adopted a policy with regard to determination of material subsidiaries. The policy is placed on the Company's website at

https://www.lauruslabs.com/Investors/PDF/Policies/PolicyOnMaterialityOfSubsidiaries.pdf

Disclosures pertaining to Commodity risk:

The Company has framed a policy on Forex Risk Management Policy for managing the risks faced and hedging activities.

The risk management activities during the year, including their commodity hedging positions and the risks faced and managed: The Company has not undertaken any commodity hedging positions and therefore no risk exists.

Details of utilisation funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A): The Company has not raised any funds through preferential allotment or qualified institutions placement during the current financial year and hence not applicable.

The Board had accepted recommendations of various committees of the board which were mandatorily required in the relevant financial year.

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, for the FY 2023-24 is as follows:

₹ in crores

Particulars	2023-24	2022-23
Statutory Auditors:	0.98	0.92
Tax Audit Fee	-	0.14
Limited Review	0.50	0.41
Others	0.09	0.18
Total	**1.57**	**1.65**

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

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

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

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

Disclosures in relation to Loans and advances in the nature of loans to firms/companies in which directors are interested:

Sl. No	Name of Firm/company to which Loans or Advances have been provided	Amount (in crores)	Name of the interested Director	Nature of Interest	Name and status of the Disclosing Entity
1	Laurus Synthesis Private Limited		Mr. Krishna Chaitanya Chava	Common Director	Sriam Labs Private Limited (Wholly owned subsidiary of Laurus Labs Limited)
2	Laurus Bio Private Limited		Dr. Satyanarayana Chava and Mr. V. V. Ravi Kumar	Common Directors	Laurus Labs Limited (Holding Company of Laurus Bio Private Limited)
3	Laurus Synthesis Private Limited		Dr. Satyanarayana Chava and Mr. V. V. Ravi Kumar	Common Directors	Laurus Labs Limited (Holding Company of Laurus Synthesis Private Limited)

Report on Corporate Governance

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: Nil

Non-compliance of any requirements of Report on Corporate Governance of sub-paras (2) to (10) of Schedule V

The Company has complied with the requirement of Report on Corporate Governance of sub-paras (2) to (10) of Schedule V of the SEBI (LODR) Regulations, 2015.

Adoption of discretionary requirements as specified in Part E of Schedule II of SEBI (LODR) Regulations, 2015

With regard to discretionary requirements, the Company has adopted clauses relating to the following:

Separate persons were appointed for the post of the Chairman and the CEO. The financial statements of the Company so far have an unmodified audit opinion. Internal auditors report directly to the Audit Committee.

The disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:

Regulation	Particulars of Regulations	Compliance Status Yes/No
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of listed entity	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management	Yes
27	Other Corporate Governance requirements	Yes
46 (2)(b) to (i)	Functional Website	Yes

Code of Conduct:

In compliance with Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct policy. The Code is applicable to the members of the Board, the executive officers and all employees of the Company and its subsidiaries. The Code is available on our website https://www.lauruslabs.com/Investors/PDF/Policies/Code_of_Conduct_Policy.pdf

All members of the Board, the executive officers and senior financial officers have affirmed compliance to the Code as on March 31, 2024.

Prevention of Insider Trading:

The Company has adopted an Insider trading Policy to regulate, monitor and report trading by insiders under the SEBI (Prohibition of Insider Trading) Regulations, 2015. This policy includes practices and procedures for fair disclosure of unpublished price-sensitive information, initial and continual disclosure. The Board reviews the policy on a need basis. The policy is available on our website https://www.lauruslabs.com/Investors/PDF/Policies/Code_of_Prohibition_of_Insider_Trading.pdf

CEO and CFO Certification:

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the CEO & CFO certification is provided in this Annual report as **Annexure-C**.

Auditors' Certificate on Corporate Governance

As required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Certificate on Corporate Governance issued by practising Company Secretary is annexed to the Board's report as **Annexure-D**.

Declaration

I, Dr. Satyanarayana Chava, Chief Executive Officer, hereby declare that as provided under SEBI (LODR) Regulations, 2015, the Board Members and the senior management personnel have confirmed compliance with the Code of Conduct for the year ended March 31, 2024.

Disclosures with respect to demat suspense account/ unclaimed suspense account: Nil

Disclosure of certain types of agreements binding listed entity: Nil

For Laurus Labs Limited

Dr. Satyanarayana Chava

Chief Executive Officer

Place: Hyderabad
Date: June 06, 2024

Annexure – A

CERTIFICATE

(Pursuant to Regulation 34(3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members,
M/s. LAURUS LABS LIMITED
Laurus Enclave, Plot Office 01, E. Bonangi Village,
Parawada Mandal, Anakapalli District, Andhra Pradesh – 531021.

We have examined and verified the books, papers, minute books, forms and returns filed and other records maintained by **M/s. Laurus Labs Limited** (hereinafter referred to as the "**Company**") having its registered office at Laurus Enclave, Plot Office 01, E. Bonangi Village, Parawada Mandal, Anakapalli District, Andhra Pradesh – 531021 and the information provided by the Company and its directors and also based on the information available at the websites of Ministry of Corporate Affairs (i.e www.mca.gov.in) and Securities and Exchange Board of India (i.e. www.sebi.gov.in), we hereby certify that as on the date of this certificate, none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of Company by Securities and Exchange Board of India /Ministry of Corporate Affairs or any such statutory authority.

For RPR & ASSOCIATES
Company Secretaries

Y Ravi Prasada Reddy
Proprietor
FCS No: 5783, C P No: 5360
Peer Review Certificate No. 1425/2021
UDIN: F005783F000239918

Place: Hyderabad
Date: April 25, 2024

Annexure – B

Annual Secretarial Compliance Report of

M/s. Laurus Labs Limited for the year ended March 31, 2024

(Pursuant to circular dated February 8, 2019 issued by SEBI and amendments thereof)

We, M/s. RPR and Associates, Company Secretaries, Hyderabad, have examined:

(a) all the documents and records made available to us and explanation provided by M/s. Laurus Labs Limited (CIN: L24239AP2005PLC047518) having its registered office at Laurus Enclave, Plot Office 01, E. Bonangi Village, Parawada Mandal, Anakapalli District, Andhra Pradesh – 531021, ("the listed entity");

(b) the filings/ submissions made by the listed entity to the stock exchanges;

(c) website of the listed entity; and

(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification/report, for the year ended March 31, 2024 ("Review Period") in respect of compliance with the provisions of:

(a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

(b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/guidelines issued thereunder, have been examined, include:-

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - No Buyback of securities during the review period.

(e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - Not Applicable during the review period.

(g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Securities) Regulations, 2021; - Not Applicable during the review period.

(h) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; - Not Applicable during the review period.

(i) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendments from time to time;

(j) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) (Amendment) Regulations, 2018 regarding the Companies Act and dealing with client; and circulars/ guidelines issued thereunder and the additional affirmations as per the circulars issued by the stock exchanges on March 16, 2023 and subsequent amendments thereon; and based on the above examination, we hereby report that, during the Review Period:

The compliances related to resignation of statutory auditors from listed entities and their material subsidiaries (as per SEBI Circular CIR/CFD/CMD/114/2019 dated October 18, 2019) were not applicable during review period;

We hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations/ Remarks by PCS
1.	**Secretarial Standards:** The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	-
2.	**Adoption and timely updation of the Policies:** • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities • All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/circulars/ guidelines issued by SEBI	Yes	-
3.	**Maintenance and disclosures on Website:** • The Listed entity is maintaining a functional website • Timely dissemination of the documents/ information under a separate section on the website • Web-links provided in annual Report on Corporate Governances under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website	Yes	-

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations/ Remarks by PCS
4.	**Disqualification of Director:** None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013	Yes	-
5.	**Details related to Subsidiaries of listed entities have been examined w.r.t.:** (a) Identification of material subsidiary companies (b) Disclosure requirement of material as well as other subsidiaries	Yes	-
6.	**Preservation of Documents:** The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	-
7.	**Performance Evaluation:** The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations	Yes	-
8.	**Related Party Transactions:** (a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or (b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/ rejected by the Audit Committee, in case no prior approval has been obtained.	Yes	-
9.	**Disclosure of events or information:** The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	-
10.	**Prohibition of Insider Trading:** The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	-
11.	**Actions taken by SEBI or Stock Exchange(s), if any:** No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder	Yes	-
12.	**Additional Non-compliances, if any:** No additional non-compliance observed for all SEBI regulation/circular/guidance note etc.	Yes	-

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Sl. No.	Compliance Requirement (Regulations /circulars/guidelines including specific clause)	Regulation /Circular No.	Deviations	Action Taken By	Type of Action Advisory /Clarification/Fine/ Show Cause Notice/ Warning, etc.	Detailss of Violaion	Fine Amount	Observations/Remarks of the Practicing Company Secretary	Management Response	Remarks
No deviations / non-compliance during the review period										

(b) The listed entity has taken the following actions to comply with the observations made in previous reports;

Sl. No.	Compliance Requirement (Regulations /circulars/ guidelines including specific clause)	Regulation /Circular No.	Deviations	Action Taken By	Type of Action Advisory /Clarification/Fine/ Show Cause Notice/ Warning, etc.	Detailss of Violaion	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
Not applicable during the review period										

For RPR & ASSOCIATES
Company Secretaries

Y Ravi Prasada Reddy
Proprietor
FCS No. 5783, C P No. 5360
UDIN: F005783F000239907
Peer Review Certificate No. 1425/2021

Place: Hyderabad
Date: April 25, 2024

Annexure – C

Date: April 22, 2024

To
The Audit Committee &
The Board of Directors
Laurus Labs Limited

We, Dr. C. Satyanarayana, CEO and Mr. V.V. Ravi Kumar, CFO hereby certify as under:

A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2024 and that to the best of our knowledge and belief:

(1). These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2). These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

B. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2024 are fraudulent, illegal or violative of the Company's Code of Conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.

D. (1). There have not been any significant changes in internal control over financial reporting during the year;

(2). There have not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and

(3). We are not aware of any instances during the year of significant fraud with involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Thanking you,

For Laurus Labs Limited

Dr. C. Satyanarayana
Chief Executive Officer

For Laurus Labs Limited

Mr. V.V. Ravi Kumar
Chief Financial Officer

Annexure – D

Certificate on Corporate Governance

To
The Members of
M/s. LAURUS LABS LIMITED
Laurus Enclave, Plot Office 01, E. Bonangi Village,
Parawada Mandal, Anakapalli District, Andhra Pradesh – 531021.

We have examined the compliance conditions of Corporate Governance by **M/s. Laurus Labs Limited** for the financial year ended March 31, 2024, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations, 2015"] and the Uniform Listing Agreement entered between the Company & Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our 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.

In our opinion and to the best of our knowledge and according to the explanations given to us, we certify that the Company has complied with the conditions of applicable Corporate Governance as stipulated in the above mentioned SEBI (LODR) Regulations, 2015 and the Uniform Listing Agreement.

We 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.

For RPR & ASSOCIATES
Company Secretaries
UDIN: F005783F000239940

Y. Ravi Prasada Reddy
Proprietor
FCS No.5783, CP No.5360
Peer Review Certificate No. 1425/2021

Place: Hyderabad
Date: April 25, 2024

Business Responsibility & Sustainability Reporting

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	: L24239AP2005PLC047518
2	Name of the Listed Entity	: Laurus Labs Limited
3	Year of incorporation	: 2005
4	Registered office address	: Laurus Enclave, Plot Office 01, E. Bonangi Village, Parawada Mandal, Anakapalli District – 531 021, Andhra Pradesh, India.
5	Corporate address	: 2nd Floor, Serene Chambers, Road No. 7, Banjara Hills, Hyderabad – 500 034, Telangana, India
6	E-mail	: secretarial@lauruslabs.com
7	Telephone	: +91 40 6659 4333
8	Website	: www.lauruslabs.com
9	Financial year for which reporting is being done	: 2023-24
10	Name of the Stock Exchange(s) where shares are listed	: NSE & BSE
11	Paid-up Capital	: ₹107,79,31,716
12	Name and contact details (telephone, e-mail address) of the person who may be contacted in case of any queries on the BRSR report.	: Mr. G. Venkateswar Reddy, Company Secretary and Compliance Officer, Telephone: +91 40 6659 4333, E-mail: secretarial@lauruslabs.com Address: 2nd Floor, Serene Chambers, Road No. 7, Banjara Hills, Hyderabad – 500 034, Telangana, India
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).	: Standalone
14	Name of assurance provider	: NA
15	Type of assurance obtained	: NA

II. Products/services

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

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
01	Pharmaceuticals & Bio product	Development, manufacturing & services of Chemical & Chemical products, Pharmaceuticals, Medicinal Chemical, Bio & Botanical Products	100%

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

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
01	Development, manufacture and sale of API & Formulations	21009	100%

III. 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			
Visakhapatnam, Andhra Pradesh, India	6	1	7
Hyderabad, Telangana, India	1	1	2
International	NIL	NIL	NIL

19. Markets served by the entity:

a) Number of locations

Locations	Number
National (No. of States)	26
International (No. of Countries)	114

b) What is the contribution of exports as a percentage of the total turnover of the entity? **58.76%**

c) A brief on types of customers

Our Company caters to a diverse range of customers includes major pharma companies, generics players and institutional customers across various countries.

IV. Employees

20. Details as at the end of Financial Year:

a) Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	6,007	5,567	93%	440	7%
2.	Other than Permanent (E)	NIL	NIL	NIL	NIL	NIL
3.	**Total employees (D + E)**	6,007	5,567	93%	440	7%
WORKERS						
4.	Permanent (F)	NIL	NIL	NIL	NIL	NIL
5.	Other than Permanent (G)	5,623	5,556	99%	67	1%
6.	**Total workers (F + G)**	5,623	5,556	99%	67	1%

b) Differently abled Employees and workers:

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

21. Participation/ Inclusion/ Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	7	1	14%
Key Management Personnel	1	NIL	--

Business Responsibility & Sustainability Reporting

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY24 (Turnover rate in current FY)			FY23 (Turnover rate in previous FY)			FY22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	18%	22%	18%	19%	26%	19%	14%	18%	15%
Permanent Workers	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

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)	CIN / FCRN	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	Sriam Labs Private Limited	U24239TG2002PTC038490	Subsidiary	100%	No
2	Laurus Synthesis Private Limited	U24110TG2020PTC140333	Subsidiary	100%	No
3	Laurus Specialty Chemicals Private Limited	U24110TG2022PTC168791	Subsidiary	100%	No
4	Laurus Bio Private Limited	U02423KA2005PTC036770	Subsidiary	87.58% (Fully diluted basis)	No
5	Immunoadoptive Cell Therapy Private Limited	U74999MH2018PTC315497	Associate	33.86% (Fully diluted basis)	No
6	Ethan Energy India Private Limited	U40100TG2018FTC125395	Associate	26%	No
7	Laurus Generics SA (Pty.) Ltd.		Subsidiary	100%	No
8	Laurus Holdings Limited		Subsidiary	100%	No
9	Laurus Generics GmbH		Step Down Subsidiary	100%	No
10	Laurus Generics Inc.		Step Down Subsidiary	49.24% Directly and 50.76% through Laurus Holdings Limited	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **Yes**

(ii) Turnover (in ₹) 4,812 crores

(iii) Net worth (in ₹) 4,207 crores

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)	FY24 (Current Financial Year)			FY23 (Previous Financial Year)		
	(If Yes, then provide web-link for grievance redress policy)	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	NIL	NIL	NA	NIL	NIL	NA
Investors (other than shareholders)	Yes	NIL	NIL	NA	NIL	NIL	NA
Shareholders	Yes	NIL	NIL	NA	NIL	NIL	NA
Employees and workers	Yes	NIL	NIL	NA	NIL	NIL	NA
Customers	Yes	NIL	NIL	NA	NIL	NIL	NA
Value Chain Partners	Yes	NIL	NIL	NA	NIL	NIL	NA
Other (please specify)	NIL	NIL	NIL	NA	NIL	NIL	NA

Policies:

Comminity: https://www.lauruslabs.com/Investors/PDF/Policies/Corporate_Social_Responsibility_Policy.pdf

Investor & Shareholders: https://www.lauruslabs.com/investors_home.html

Employees & workers: https://www.lauruslabs.com/Investors/PDF/Policies/PGH.pdf

Customers: Customer feedback policy

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

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

Our approach to materiality: At Laurus Labs, we acknowledge our responsibility to meet stakeholder expectations to position our business better and enhance the value we create. The materiality assessment has allowed us to comprehend stakeholder concerns and helps in developing a strategy that fits our business, prioritising the most relevant topics and impact. We performed a sustainability-related materiality assessment to identify the sustainability issues that are most critical to our business and our stakeholders. This process assists us in identifying sustainability focus areas and informs our strategy and the content of our reporting.

We align our identification of material sustainability topics with the GRI Universal Standards considering information relating to the pharmaceutical sector, our regulatory requirements and matters raised during engagements with our people and our external stakeholders. This year we've focused on five top priority areas i.e. product safety, ownership and control, waste management and circularity, leadership policy and oversight on sustainability, tax transparency and labelling, protection of human rights and occupational health and safety. More information on our sustainability materiality assessment process and outcomes can be found in our Integrated Report

Sr. No.	Material Issue Identified	Risk Opportunity	Rational for identifying or opportunity	In case of risk approach to adapt or mitigate	Financial implication of risk or opportunity
1	Environment, Health and Safety (EHS)	Risk	Operations are subjected to varieties of regional and global governmental, and non-governmental EHS rules and regulations.	- Improving focus on sustainable energy - Strengthening and promoting a safety culture programme and awareness across the company - Conducting periodic audits in high-risk sites	Risk
2	Industry risk	Risk	Sectoral and market downturns could have potential and immediate impact on company performance	- Analysing industry and pharma-sectoral trends and periodic horizon scanning - Ongoing plans to implement a business continuity plan to minimise risks	Risk
3	Regulatory risk	Risk	The pharmaceutical sector is highly regulated and it is under continual surveillance and scrutiny by regulatory bodies and authorities. Inability to meet requirements may have potential negative impacts on the business	- Improving compliance/ regulatory requirements review mechanism - Utilising the information management system to detect changes in the regulatory environment and their impact periodically	Risk

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Sr. No.	Material Issue Identified	Risk Opportunity	Rational for identifying or opportunity	In case of risk approach to adapt or mitigate	Financial implication of risk or opportunity
4	Competition risk	Risk	Market presence and penetration can be affected by domestic and international competitions	- Building economies of scale in manufacturing, distribution and procurement to maintain cost advantage - Strengthening long-term relationships with key customers by offering better quality and service know-how - Introducing cost improvement initiatives and enhancing manufacturing efficiency at plants - Undertaking R&D initiatives, focusing on optimising raw material consumption and increasing manufacturing capability	Risk
5	Innovation risk	Risk	Development of innovative products is critical in improving the product portfolio of the company, Lack of innovation may negatively affect business growth.	- Ensuring R&D capabilities and proven track record in filing, approval and commercialisation of niche products and processes. - Improving internal capabilities, know-how and enhancing process optimisation to strengthen market leadership	Risk
6	Financial risks	Risk	The foreign exchange rate fluctuations could impact our company's net expenses and other future investments.	- Implementing a strong currency hedging plan/ strategy and periodically evaluating derivatives to address risks	Risk
7	Capacity planning and Optimisation risk	Risk	Inability to meet dynamic customer needs can impact business growth	- Tracking trends and horizon scanning to keep up with the market and deliver and satisfy customer needs - Implementing plans to ensure plant capacities meet market expectations - Process optimisation and improving efficiency to reduce production related risks such as plant malfunctions	Risk
8	Operational risk	Risk	Efficiency and effectiveness of business operations can be significantly impacted if and when vendor customer relations are not managed effectively	- Stabilising vendor risks and challenges by the implementation of action plans - Forging long-term partnerships with regional and global pharmaceutical companies to ensure revenue visibility	Risk

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)	Yes	No	Yes	No formal policy yet	No formal policy yet	Yes	No	Yes	No
b) Has the policy been approved by the Board? (Yes/No)	Approved by HOD	No	Yes	No	No	Yes	No	Yes	No
c) Web Link of the Policies, if available		No	Please refer Policy A below the table	No	No	Please refer Policy B below the table	NA	Please refer Policy C below the table	No
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	No	Yes	No	No	Yes	No	Yes	No
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	No	No	No	No	Yes	No	No	No
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance and Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Yes, We follow GRI guidelines	No	Yes. We follow ISO45001	No	No	Yes ISO 14001	No	Yes	No
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
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): Refer Chairman's statement in **page number 14**									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Dr. Satyanarayana Chava, Executive Director and Chief Executive Officer								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, details.	Yes. Dr. Satyanarayana Chava, Executive Director and Chief Executive Officer is responsible								

Policy A: https://www.lauruslabs.com/images/pdfs/Business_Code_of_Conduct_and_Ethics_Policy.pdf

Policy B: https://www.lauruslabs.com/images/pdfs/EHSS_Policy.pdf

Policy C: https://www.lauruslabs.com/Investors/PDF/Policies/Corporate_Social_Responsibility_Policy.pdf

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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	Business Steering Committee									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes									

11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, Name of the agency.

P1	P2	P3	P4	P5	P6	P7	P8	P9
No	No	No	No	No	No	No	No	No

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)	No	No	No	No	No	No	No	No	No
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 Company has no direct policies. However, our ESG initiatives are mostly in alignment with the goals of these 9 policies								
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	No	No	No	No	No	No	No	No	No
It is planned to be done in the next financial year (Yes/No)	The Company has plans to implement these policies going forward								
Any other reason (please specify)	Nil								

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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 categorised 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	NIL	NA	NA
Key Managerial Personnel	NIL	NA	NA
Employees & Workers other than BoD and KMPs		**Trainings by Board of Directors**	
	15 sessions were conducted accommodating approximately 1500 employees.	Workshop on the importance of employee's Profession/role and enhancing their time management, skills, knowledge, ownership, adaptability, leadership, teamwork, and customer service (internal and external)	25
	5 sessions were conducted accommodating approximately 500 employees.	Improvements in content creation, tailoring content, simulations, and interactive activities.	8
	2 Sessions were conducted for 25 Key stakeholders.	Stakeholder engagement: Engaging key stakeholders, like the site Heads and functional Heads for the alignment with the organisational goals.	-
	4 sessions were conducted accommodating approximately 500 employees.	Town Hall: Organisation direction, Interactive session, that encourages open communication and taking valuable insights and feedback from the senior employees.	
		Employees & Workers other than BoD and KMPs	
	6,21,590 training sessions were conducted for approximately 6089 employees.	1. The employees/operators' training is being controlled through the electronic system known as LMS (Learning Management System) This system manages employee training in a comprehensive approach that ensures employees receive the necessary training and certifications to perform their roles effectively and safely. The LMS generates and tracks various types of training including • Induction Training • Standard Operating Procedures (SOPs) • current Good Manufacturing Practices (cGMP) • External Training • Miscellaneous Training • Unscheduled Training • General Training (Prevention of Sexual Harassment (POSH) The LMS schedules these trainings according to employees' roles, job responsibilities, and regulatory requirements ensuring that they receive timely and appropriate training throughout their tenure with the company. Additionally, the system tracks employees' progress, completion status, and certification facilitating compliance and audit readiness. Overall using an LMS streamlines the training process, enhances compliance, and contributes to a well-trained and knowledgeable workforce.	96
	25 sessions were conducted for approximately 1130	Skill & Knowledge enhancement - Mock tests to improve Review capability, Procedure familiarity, and Problem-solving skills.	26

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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):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an Appeal been preferred? (Yes/No)
Penalty/ Fine	NA	NIL	NIL	NA	NA
Settlement	NA	NIL	NIL	NA	NA
Compounding fee	NA	NIL	NIL	NA	NA

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an Appeal been preferred? (Yes/No)
Imprisonment	NA	NIL	NA	NA
Punishment	NA	NIL	NA	NA

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. **NIL**

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

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**

https://www.lauruslabs.com/Investors/PDF/Policies/LaurusLabsLimitedPrivacy-policy.pdf

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

	FY24 (Current Financial Year)	FY23 (Previous Financial Year)(
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

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

	FY24 (Current Financial Year)		FY23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NA	NIL	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NA	NIL	NA

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

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

	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
Number of days of accounts payables	123	109

9. Open-ness of business

Parameter	Metrics		FY24 (Current Financial Year)	FY23 (Previous Financial Year)
Concentration of Purchases	a)	Purchases from trading houses as % of total purchases	41%	43%
	b)	Number of trading houses where purchases are made from	-	-
	c)	Purchases from top 10 trading houses as % of total purchases from trading houses	-	-
Concentration of Sales	a)	Sales to dealers / distributors as % of total sales	0.11%	0.03%
	b)	Number of dealers / distributors to whom sales are made	1	1
	c)	Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	100%	100%
Share of RPTs in	a)	Purchases (Purchases with related parties / Total Purchases)	3.16%	3.28%
	b)	Sales (Sales to related parties / Total Sales)	3.75%	1.49%
	c)	Loans & advances (Loans & advances given to related parties / Total loans & advances)	92.41%	76.05%
	d)	Investments (Investments in related parties / Total Investments made)	99.46%	99.11%

Note:

For Purchases from trading houses – considering that the company sources its purchases from both traders and manufacturers, for calculation purpose herein we have considered purchases of raw materials and packing materials from traders

For Sales to Dealers/Distributors - The nature of Sales made by the Company are largely direct sales, sales to dealers and distributors is limited to only one vendor, wherein, it is low both in terms of value and volume.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programs held	Topics / principles covered under meeting	% age of value chain partners covered by value of business done with such partners under the awareness programs
1. One Training Session was conducted with the elected Strategic supplier base which clearly explained the key areas of Laurus Code of conduct and the necessity to assess, monitor and improve on these aspects 2. We engage with the Strategic supplier base on individual basis to make them aware of Laurus expectations on Sustainable practices and get their feedback	Laurus Supplier Code of Conduct encompasses the following aspects of Sustainability 1. Business Ethics 2. Human rights 3. Employment Practices 4. Environment 5. Health & Safety 6. Supporting Communities Laurus had identified key strategic suppliers and have evaluated their Sustainability practices through Supplier assessment framework. The strategic suppliers were classified as critical and non-critical based on various criteria. The total RM Spend of the selected Strategic suppliers was	63%

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. Declaration and recusing the respective board members in discussions and voting.

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

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.

Category	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	7.29 %	0.92 %	In-licensed 4 gene assets from IIT-Kanpur. Necessary funding support provided to advance clinical trials
Capex	NIL	NIL	

2. a) Does the entity have procedures in place for sustainable sourcing? - **Yes**

   b) If yes, what percentage of inputs were sourced sustainably? **63% (as per Sustainability Report for FY23)**

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.

   In keeping with our focus on sustainable company operations, Laurus Labs strives to reduce waste generated at the source whenever possible and recycle the residual waste. A considerable portion of the waste generated in the pharmaceutical industry is categorised as hazardous and must be handled with caution. We ensure that the waste generated by our operations is effectively monitored and disposed of in accordance with all relevant regulatory standards.

   We also regularly monitor our waste management systems and procedures to ensure that the waste generated throughout our sites undergoes proper and safe treatment. Solvent recovery systems deployed at our API locations allow predefined volumes of used solvent to be recovered. Our operational efficiency allows us to use resources conservatively and reduce waste. We comply with all the local and national regulations, in addition to adopting global standards in safe handling and disposal of emissions and effluents.

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. **No**

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? **NIL**

NIC Code	Name of 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.
NA	NA	NA	NA	NA	NA

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. **NIL**

Name of Product / Service	Description of the risk / concern	Action Taken
NA	NA	NA

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

Indicate input material	Recycled or re-used input material to total material	
	FY24 Current Financial Year	FY23 Previous Financial Year
Total Recycled input material	160,252 MT	118,612 MT

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format: **NIL**

	FY24 (Current Financial Year)			FY23 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	NIL	NIL	NIL	NIL	NIL	NIL
E-waste	NIL	NIL	NIL	NIL	NIL	NIL
Hazardous waste	NIL	NIL	NIL	NIL	NIL	NIL
Other waste	NIL	NIL	NIL	NIL	NIL	NIL

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

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
NA	NA

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

Essential Indicator

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

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	5,567	5,567	100%	5,567	100%	NA	NA	5,567	100%	NA	NA
Female	440	440	100%	440	100%	440	100%	NA	NA	440	100%
Total	**6,007**	**6,007**	**100%**	**6,007**	**100%**	**400**	**100%**	**5,567**	**100%**	**440**	**100%**
Other than Permanent employees											
Male	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Female	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**

b) Details of measures of 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	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Female	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
Other than Permanent workers											
Male	NIL	NIL	NIL	5,556	100%	NIL	NIL	NIL	NIL	NIL	NIL
Female	NIL	NIL	NIL	67	100%	NIL	NIL	NIL	NIL	67	100%
Total	**NIL**	**NIL**	**NIL**	**5,623**	**100%**	**NIL**	**NIL**	**NIL**	**NIL**	**67**	**100%**

Note: Workers are not on payroll of Laurus, other benefits will be taken care by contractor

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

	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
Cost incurred on well- being measures as a % of total revenue of the company	1.67%	1.22%

Aforementioned well-being costs, includes costs incurred for bus transportation charges, canteen expenses, Medical insurance, health insurance, medical expenses amongst others for employees and workers.

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

Benefits	FY24 (Current Financial Year)			FY23 (Previous Financial Year)		
	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%	NA	YES	100%	NA	YES
Gratuity	34%	NA	NA	39%	NA	NA
ESI	23%	NA	YES	22%	NA	YES
Others – please specify	--	-	-	--	--	NA

3. Statutory benefits to workers as per applicable laws being reimbursed by Company to the agencies for contract workers.
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**

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**

https://www.lauruslabs.com/Investors/PDF/Policies/NDP.pdf

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

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	NA	NA
Female	91%	100%	NA	NA
Total	99.53%	100%	NA	NA

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

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	NA
Other than Permanent Workers	YES
Permanent Employees	YES
Other than Permanent Employees	YES

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

Category	FY24 (Current Financial Year)			FY23 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees /workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees						
- Male		NIL			NIL	
- Female		NIL			NIL	
Total Permanent Workers						
- Male		NIL			NIL	
- Female		NIL			NIL	

8. Details of training given to employees and workers:

Category	FY24 (Current Financial Year)					FY23 (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	5,567	5,567	100%	5,567	100%	5,335	5,335	100%	5,335	100%
Female	440	440	100%	440	100%	418	418	100%	418	100%
Total	**6,007**	**6,007**	**100%**	**6,007**	**100%**	**5,753**	**5,753**	**100%**	**5,753**	**100%**
Workers										
Male	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Female	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**

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

Category	FY24 (Current Financial Year)			FY23 (Previous Financial Year)		
	Total (A)	No. (B) %	(B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	5,567	5,567	100%	5,335	5,335	100%
Female	440	440	100%	418	418	100%
Total	**6,007**	**6,007**	**100%**	**5,753**	**5,753**	**100%**
Workers						
Male	NIL	NIL	NIL	NIL	NIL	NIL
Female	NIL	NIL	NIL	NIL	NIL	NIL
Total	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**

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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, all units are certified with ISO 45001:2018. We carry out internal audits to check the effectiveness of EHSMS periodically. Trained EHSMS coordinators are appointed to implement OHSMS.

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

Various standard operating procedures such as (EHS/004: EHS Risk Assessment and EHS/028: EHS Internal audits, inspection) implementing to identify work related hazards and their associated risks. Before execution of any process we carry out the activity based risk assessment (ABRA) followed by HAZOP study (Hazard Operability) and ERA (Exposure Risk Assessment). We implement all recommendations to ensure the process is safe before execution. We have implemented change control program where all changes (which may create potential risks) are assessed prior to implementation and after thorough review, all changes are accepted. We follow line management responsibility approach in implementing safety and hence we engage our employees as One Day safety officer from other functions to identify unsafe situations. EHS department takes round on the shop floor and highlights the unsafe situations as well.

We have engaged few employees as safety champion and they are available in each shift, observe and highlight all unsafe situations. These observations are reviewed by their respective Block in-charge followed by unit EHS lead.

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

Yes, SOP EHS 028: EHS Internal Audit, Inspections, NC, and CAPA is in place. We encourage our workers to report all unsafe observations immediately. We have engaged our employees as safety champion who are reporting in each shift, takes round on the shop floor, monitors critical activities and reports all unsafe situations. Also we have dedicated EHS department who takes frequent rounds in shop floor to identify unsafe situations.

SOP EHS 007: EHS Committee is in place. We have EHS committee members who highlight all unsafe situations to the EHS Department and in EHS committee as well.

We have implemented Safety Suggestion Scheme and installed safety suggestion box at the main gate and encourage workers to share suggestions. EHS department collects all suggestions and take action accordingly. We do encourage workers to share suggestions during different EHS promotional activities such as National Safety Day celebration, World Environment Day Celebration etc. and EHS department also awards the worker to promote EHS culture.

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

Yes, the employees/workers of the entity have access to non-occupational medical and healthcare services. All employees are covered under health insurance, statutory health insurance (ESIC) as per eligibility, providing periodical health checkups and wellness programs.

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

Safety Incident/Number	Category*	FY24 Current Financial Year	FY23 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NIL	0.23
	Workers	NIL	NIL
Total recordable work-related injuries	Employees	NIL	NIL
	Workers	NIL	NIL
No. of fatalities	Employees	NIL	3
	Workers	NIL	2
High consequence work-related injury or ill-health (excluding fatalities)	Employees	NIL	NIL
	Workers	NIL	NIL

*Including in the contract workforce

Note:

The reporting boundary for the above indicator includes the Company's manufacturing units

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

    a) **We have implemented various standard operating procedures (SOP) and Operational Control Procedures (OCP) to ensure safety at workplace.**

    b) **Periodical trainings are given to all workers on safe practices.**

    c) **Continuous inspections and periodical audits are carried out to identify all unsafe acts & conditions.**

    d) **We are carrying out several audits in the specific areas by the third party to identify the gaps and to make further improvement.**

    e) **Designed the workplace based on the latest statutory requirements and complying with all safety norms.**

    f) **Process safety studies are carried out for all processes before execution, risk assessment is done to make the process safe. All process safety requirements are implemented. Workplace monitoring is carried out to improve the industrial hygiene.**

    g) **EHS promotional activities are carried out to encourage safe practices and promote safety as a culture.**

    h) **Periodical review meeting with senior management to improve safety requirement.**

    i) **Emergency preparedness and response:**

       - **Fire protection which comprises of Detection, Alarm and Suppression system installed at all workplaces.**
       - **Two numbers of Multi-purpose Fire Tenders are in place and procuring another Two numbers in this year.**
       - **All sites have Occupational Health Centers and Ambulances. Additionally, Two numbers of Advanced Life Support Ambulances are in place.**
       - **Emergency Response Teams on-site, who undergone a specific training from External Expert Agency.**

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

	FY24 (Current Financial Year)			FY23 (Previous Financial Year)		
	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	NIL	NIL		NIL	NIL	
Health & Safety	NIL	NIL		NIL	NIL	

14. Assessments for the year:

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

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

    We implement all recommendations related to different safety audits, statutory audits and incidents. Best practices from other industries are implemented as well.

    All recommendations related to risk assessments are implemented to make the process safe.

Business Responsibility & Sustainability Reporting

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).

   Yes, for both the employees and workers

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

   The Company collects the proofs of deposits of statutory dues like payment challans etc. from the service value chain partners before releasing their bills regularly and ensures that the statutory dues have been deducted and deposited by the value chain partners with the relevant statutory authorities.

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

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY24 (Current Financial Year)	FY23 (Previous Financial Year)	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
Employees	NIL	3	NIL	NIL
Workers	NIL	2	NIL	NIL

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

   NO

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	We conduct yearly once sustainability assessment of our value chain partners, providing awareness program, conducting assessment. During the year 60% of our value chain partners have been assessed.
Working Conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

   No such cases

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

Essential Indicators

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

   Our stakeholders includes Individuals, Groups, Companies or institutions that are part of our value chain.

   We follow the process of identification of the stakeholders is defined by their interest, impact and participation in operations of the Company including engagement on various environmental, social and governance matters and we classify accordingly. Our operations are integrated with stakeholder needs, interests and expectations.

   Over the years we have developed firm-level processes to encourage open and constructive interaction with our stakeholders. It reinforces our understanding of relevant matters and helps us identify those attributes of stakeholders that make them important to our business and necessitate meaningful engagement. Engaging with stakeholders provides us an opportunity to serve them in the best sustainable way and redefine our strategies to deliver the maximum value.

   By Partnering with our stakeholders, we involve them in the decision making, product and process improvement and create an enabling environment to do better together.

   Our sustainability programme brings together stakeholders from across the pharmaceutical value chain to identify and address the industry's most pressing environmental issues. One-on-one meetings, annual general meetings, training, group discussions, surveys, and supplier and custodial relationships are all examples of systematic channels of interaction with our stakeholders integrated throughout our business operations.

   At a strategic level, stakeholder issues are examined and taken into account. The stakeholder engagement framework represents how we connect with our stakeholders and address their major problems. The table below details the various stakeholder groups that have had direct or indirect contact with Laurus Labs, as well as their ways of involvement and key concerns.

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 & Marginalised Group (Yes/No)	Channels of Communication (Email, SMS, Newspapers, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/Half Yearly/Quarterly/ Others – Please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	• Customer audits • One-on-one meetings • Exhibitions	Regular interval	• Safety • Customer data protection and privacy • Product efficacy • Quality • Sustainable supplies
Investors and Shareholders	No	• Financial results/ investor calls • Television and print media interviews • Annual bankers meet • Email announcements	Quarterly & need basis	• Business growth/ profitability • Newer opportunities • Risk management, • Governance
Government and regulators	No	• Regulatory audits • Engagement on a need basis • Participation in forums	On need basis	• Compliance • Stipulated timely reporting • Sustainable practices • Inclusive growth
Employees	No	• Formal induction at the time of joining • Technical and non-technical training programs • Town hall meetings • Operations review meetings • Quarterly newsletters	Frequently	• Workplace safety, employee welfare, IR issues • Professional growth • Employee benefits and other facilities • Diversity at the workplace • Leadership connect sessions

Business Responsibility & Sustainability Reporting

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of Communication (Email, SMS, Newspapers, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/Half Yearly/Quarterly/ Others – Please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
		• Intranet portal • International Safety Day celebrations • Laurus Labs Family Day–an annual cultural extravaganza • Annual sports meet • Programs and competitions for employees and their families • Grievance redressal mechanism • Continual feedback sessions • Mailers on Safety, Health especially COVID-19 awareness		• Equal opportunities • Wages and benefits • Work-life balance
Business partners / suppliers and service providers	No	• Contract agreements • Global pharma meets • Symposiums • Seminars	Regularly on need basis	• Payment processing cycles • Business ethics and transparency • Sustainability performance
Communities and NGOs	No	• Direct meets with local representatives • Science exhibitions & health camps • Initiatives like community tree plantations, RO water facilities at public places, building community infrastructure, aid to government schools, hospitals and NGOs • Collaboration with government/ NGOs	Frequent and need basis	• Community development (education, healthcare, sanitation, water) • Livelihood creation • Other social benefits • Local sourcing of labour • Managing conflict • Social licence to operate

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.

   Our Board of Directors serves as a source of advice and counsel in ensuring highest levels of corporate governance through risk control and regulatory compliance. The Board of Directors oversees the organisational management to assure that all the stakeholder demands are met promptly. By responsibly addressing the concerns of the stakeholders in our value chain, the Board of Directors and the senior management team ensure that the long-term interests of multiple parties are recognised. The committees appointed by the board focus on specific areas where they can make informed decisions and provide recommendations to the board on the matters in their areas.

   The Board commits to providing accurate and thorough financial and non-financial reporting, as well as a rigorous feedback mechanism. To protect stakeholder interests, we will adopt best practices for disclosures and be subject to internal and/or external assurance and governance procedures.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics **(Yes / No).**

   Yes

   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.

   Over the years we have developed firm-level processes to encourage open and constructive interaction with our stakeholders. It reinforces our understanding of relevant matters and helps us identify those attributes of stakeholders that make them important to our business and necessitate meaningful engagement. Engaging with stakeholders provides us an opportunity to serve them in the best sustainable way and redefine our strategies to deliver the maximum value. By partnering with our stakeholders, we involve them in the decision making, product and process improvement and create an enabling environment to do better together.

   We have adopted a structured approach to materiality assessment aligned to the GRI standards and IR framework that includes identifying a broad umbrella of relevant issues and prioritising them based on changing business needs and stakeholder feedback.

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

   At a strategic level, stakeholder issues are examined and taken into account. The stakeholder engagement framework represents how we connect with our stakeholders and address their major problems. The table provided in the principle 4 details the various stakeholder groups that have had direct or indirect contact with Laurus Labs, as well as their ways of involvement and key concerns.

PRINCIPLE 5: Businesses should respect and promote human rights

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

Category	FY24 (Current Financial Year)			FY23 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	6,007	6,007	100 %	5,753	5,753	100 %
Other than permanent	NIL	NIL	NIL	NIL	NIL	NIL
Total Employees	**6,007**	**6,007**	**100%**	**5,753**	**5,753**	**100%**
Workers						
Permanent	NIL	NIL	NIL	NIL	NIL	NIL
Other than permanent	5,623	5,623	100 %	4,561	4,561	100 %
Total Workers	**5,623**	**5,623**	**100%**	**4,561**	**4,561**	**100%**

Business Responsibility & Sustainability Reporting

2. Details of minimum wages paid to employees and workers, in the following format:

Category Total (A)	FY24 (Current Financial Year)					FY23 (Previous Financial Year)				
	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	6,007	NIL	0%	6,007	100%	5,753	NIL	NIL	5,753	100%
Male	5,567	NIL	0%	5,567	100%	5,335	NIL	NIL	5,335	100%
Female	440	NIL	0%	440	100%	418	NIL	NIL	418	100%
Other than Permanent	NIL	NIL	0%	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Male	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Female	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Workers										
Permanent	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Male	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Female	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Other than Permanent	5,623	NIL	0%	5,623	100%	4,561	NIL	NIL	4,561	100%
Male	5,556	NIL	0%	5,556	100%	4,528	NIL	NIL	NIL	100%
Female	67	NIL	0%	67	100%	33	NIL	NIL	NIL	100%

3. Details of remuneration/ salary/ wages

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)	6	2,25,26,856	1	28,50,000
Key Managerial Personnel	1	83,01,595	NIL	NA
Employees other than BoD and KMP	5563	4,66,596	440	3,48,084
Workers	5556	19,069	67	19,069

b) Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
Gross wages paid to females as % of total wages	6%	6%

Gross wages are considered as Cost-to-Company (CTC) for the employees & workers

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

   Head of Human Resources i.e. Mr. Narasimha Rao Chava, Executive Vice President (HR) and Head of Legal Department i.e. Mr. G. Venkateswar Reddy, Vice President (Legal and Company Secretary) will be responsible.

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

   The Company has enforced various policies which take care of human rights and any grievances shall be escalated to the HR team which is basically responsible to implement the policies and accordingly HR team shall take suitable measures to redress grievances relating to violation of human rights, if any.

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

	FY24 (Current Financial Year)			FY23 (Previous Financial Year)		
	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	NIL	NIL	NA	NIL	NIL	NA
Discrimination at workplace	NIL	NIL	NA	NIL	NIL	NA
Child Labour	NIL	NIL	NA	NIL	NIL	NA
Forced Labour/Involuntary Labour	NIL	NIL	NA	NIL	NIL	NA
Wages	NIL	NIL	NA	NIL	NIL	NA
Other human rights related issues	NIL	NIL	NA	NIL	NIL	NA

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

	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	NIL	NIL
Complaints on POSH as a % of female employees / workers	NIL	NIL
Complaints on POSH upheld	NIL	NIL

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

The company has implemented Whistle Blower Mechanism where any discrimination and harassment cases can be directly brought to the notice of Board of Directors. Similarly, in sexual harassment cases, there is Internal Complaints Committees (ICCs) and relevant policies to ensure that complaint(s) shall not be met with adverse consequences.

9. Do human rights requirements form part of your business agreements and contracts?

(Yes/No)

Yes, particularly relating to non-engagement of child labour, forced labour, non-discrimination at work places etc.

10. Assessments for the year: **NIL**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	0%
Forced/involuntary labour	0%
Sexual harassment	0%
Discrimination at workplace	0%
Wages	0%
Others – please specify	0%

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above. **No**

Business Responsibility & Sustainability Reporting

Leadership Indicators

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

   There were no such grievances/complaints in the Company.

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

   No such third party due diligence was conducted.

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

   Yes.

4. Details on assessment of value chain partners: **No**

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	**63%** (As part of sustainability SCM conducts assessment on yearly basis)
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above. **Not applicable**

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

The reporting boundary for environment indicators includes the Company's manufacturing units.

The source for Purchasing Power Parity (PPP) is International Monetary Fund (IMF). The PPP rate considered is 22.40 for FY 23-24 and 22.17 for FY 22-23.

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

Parameter	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	74,426 GJ	2,795 GJ
Total fuel consumption (B)	--	--
Energy consumption through other sources (C)	117,672 GJ	120,719 GJ
Total energy consumed from renewable sources (A+B+C)	192,098 GJ	123,514 GJ
From non-renewable sources		
Total electricity consumption (D)	895,833 GJ	806,676 GJ
Total fuel consumption (E)	2,466,440 GJ	2,080,293 GJ
Energy consumption other sources (F)		
Total energy consumed from non-renewable sources (D+E+F)	3,362,273 GJ	2,886,969 GJ
Total energy consumed (A+B+C+D+E+F)	3,554,371 GJ	3,010,483 GJ
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations)	0.00007	0.00005
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	0.0016	0.0011
Energy intensity in terms of physical output	--	--
Energy intensity (optional) – the relevant metric may be selected by the entity	--	--

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

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (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. **No**

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

Parameter	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	--	--
(ii) Groundwater	--	--
(iii) Third party water	1,583,058	1,385,309
(iv) Seawater / desalinated water	--	--
(v) Others	--	--
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**1,583,058**	**1,385,309**
Total volume of water consumption (in kilolitres)	964,759	904,457
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.000020 KL / rupee	0.000023 KL / rupee
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.00045	0.00035
Water intensity in terms of physical output	--	--
Water intensity (optional) – the relevant metric may be selected by the entity	--	--

Note: In FY 2023-24 water consumption is equal to water withdrawal less water discharged. The information reported for FY 2022-23 is restated on the same basis.

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

4. Provide the following details related to water discharged:

Parameter	FY24 (Current / Financial Year)	FY23 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	--	--
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater	--	--
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater	--	--
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment*	618,299	480,852
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	**618,299**	**480,852**

*Water discharged which is sent to third-party undergoes through primary level of treatment as required by the norms.

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**

Business Responsibility & Sustainability Reporting

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

   Our operational units are not designed as ZLD. As per the EC terms of industrial cluster, we are disposing waste water to the common effluent treatment plants authorised by State Pollution Control Board (SPCB).

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

Parameter	Please specify unit	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
NOx	Tonnes	296	213
SOx	Tonnes	798	631
Particulate matter (PM)	Tonnes	170	128
Persistent organic pollutants (POP)		--	--
Volatile organic compounds (VOC)	ppm	383	--
Hazardous air pollutants (HAP)		--	--
Others – please specify		--	--

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	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	198,782	182,215
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	176,678	159,094
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)		0.0000078	0.0000058
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		0.00017	0.00013
Total Scope 1 and Scope 2 emission intensity in terms of physical output		--	--
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		--	--

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

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

   Co-gen Boiler- We generates Power & Steam at a single platform:

   Earlier, we used to generate steam from our in-house boilers of capacity 2*16TPH and the steam produced from the boilers are used for our manufacturing activities in the same unit.

   Later, we installed the co-gen boiler of 35MT capacity in view of reducing the burden towards purchasing the electricity and to reduce our SCOPE-2 GHG emissions.

   This Boiler generates steam as well as 4.5MW of power per day which indirectly reducing the fuel consumption to produce equivalent power by an external provider. Installation of Cogen boiler system benefiting as mentioned below:

   - Reduced Scope 2 GHG emissions
   - Optimised the fuel consumption
   - Utilising the waste heat appropriately

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	540	465
E-waste (B)	0.97	2.69
Bio-medical waste (C)	13.35	11.58
Construction and demolition waste (D)		
Battery waste (E)		
Radioactive waste (F)		
Other Hazardous waste. Please specify, if any. (G)	33,162	29,053
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	11,126	5,950
Total (A+B + C + D + E + F + G+ H)	**44,843**	**35,483**
Waste intensity per rupee of turnover (Total waste generated /Revenue from operations)	0.00000093	0.00000061
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.000021	0.000014
Waste intensity in terms of physical output		
Waste intensity (optional) – the relevant metric may be selected by the entity		
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	22,884	20,719
(ii) Re-used	NIL	NIL
(iii) Other recovery operations	4,263	6,552
Total	**27,147**	**27,271**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	818	529
(ii) Landfilling	5,752	1,696
(iii) Other disposal operations	11,126	5,987
Total	**17,697**	**8,212**

Note: Other hazardous waste comprises of items such as spent solvents, evaporation salts, ETP sludge among others.

Other non-hazardous waste comprises of items such as fly ash, fiber drums, scrap pipes, others.

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**

Business Responsibility & Sustainability Reporting

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.

    In keeping with our focus on sustainable company operations, Laurus Labs strives to reduce waste generated at the source whenever possible and recycle the residual waste. A considerable portion of the waste generated in the pharmaceutical industry is categorised as hazardous and must be handled with caution. We ensure that the waste generated by our operations is effectively monitored and disposed of in accordance with all relevant regulatory standards.

    We also regularly monitor our waste management systems and procedures to ensure that the waste generated throughout our sites undergoes proper and safe treatment. Solvent recovery systems deployed at our API locations allow predefined volumes of used solvent to be recovered. Our operational efficiency allows us to use resources conservatively and reduce waste. We comply with all the local and national regulations, in addition to adopting global standards in safe handling and disposal of emissions and effluents.

    Some of the active measures and interventions to reduce processed waste from our operations are:

    - All used batteries are returned to the supplier or recycler. E-waste is collected and delivered to authorised recyclers
    - 100% of the hazardous waste produced was disposed safely across all units
    - E-waste is being sent to authorised recyclers

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: **Nil**

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.
	NA	NA	NA

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

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
NA	NA	NA	NA	NA	NA

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

Sr. 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
	NA	NA	NA	NA

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

   For each facility / plant located in areas of water stress, provide the following information:

   (i) Name of the area

   (ii) Nature of operations

   (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	NIL	NIL
(ii) Groundwater	NIL	NIL
(iii) Third party water	1,583,058	1,385,309
(iv) Seawater / desalinated water	NIL	NIL
(v) Others	NIL	NIL
Total volume of water withdrawal (in kilolitres)	**1,583,058**	**1,385,309**
Total volume of water consumption (in kilolitres)	**964,759**	**904,457**
Water intensity per rupee of turnover (Water consumed / turnover)	0.000020 KL / rupee	0.000023 KL / rupee
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	--	--
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater	--	--
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater	--	--
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment	618,299	480,852
(v) Others	--	--
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	**618,299**	**480,852**

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

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	87,212	73,322
Total Scope 3 emissions per rupee of turnover		0.0000018	0.00000121
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

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**

Business Responsibility & Sustainability Reporting

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

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	Outcome of the initiative
1	During the year 42,594 tons of steam purchased from waste heat recovery boiler which saved natural resource and energy	117,672 GJ
2	Step towards increasing green energy purchase, generated in-house. and consumed solar power during the year 2023-24	74,426 GJ
3	By installing Temperature controller for process Cooling Tower fans saved energy	6,007 GJ
4	Power Saving by Installing Variable-frequency drive (VFD) at various equipment's across the organisation	216 GJ
5	By installing movement sensors across the facilities saved energy	131 GJ
6	Fresh water saved by utilising MGF Back wash water to greenery development in and around the plant premises	284,801 KL
7	By using waste steam from the adjacent industry saved water around	42,599 KL
8	Installed an electrolytic water treatment system for cooling tower	28,780 KL
9	Installation of flow restrictors in water lines to washrooms	12,781 KL

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

   Yes, a procedure EHS 041 Business Continuity Plan is in place. As per the procedure each function identifies the risks which will disrupt the business and their control measures. Functional Head leads this activity and engage the experienced person from the function to carry out this. Against each risks, response strategy and recovery plan are be prepared. Each function carry out the testing of business continuity plan once in a year and record the observations. All the recorded points are discussed in Management Review Committee. Each unit has prepared the disaster management plan in the form of On-site emergency management plan (OSEP).

   OSEP is designed based on quantitative risk assessment and HARA (Hazard Analysis and Risk Assessment). It covers all the scenarios such as explosion, fire, toxic gas release etc. OSEP organogram is prepared to execute if required. Roles and responsibilities are assigned to personnel. Adequate resources are maintained in the unit. Periodical mock drills are conducted to assess the gaps.

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 significant adverse impact to the environment, arising from the value chain.

   We ensure sustainability within the supply chain: The quality of our products is of utmost importance and suppliers are only on boarded after a series of stringent checks to warrant that they are aligned with the expectations of the company. We onboard our suppliers after taking into consideration the required quality, EHS, and sustainability criteria. Our critical tier 1 suppliers are further assessed based on vendor audits. During the year, around 67 vendors have been evaluated on sustainability criteria.

   We are committed to engaging with our suppliers to help them improve the social and environmental impact of the materials and services they offer. The supplier code of conduct (CoC) and sustainable supply chain questionnaire helps us assess and align our suppliers with core values as they sign up to foster a culture of honesty, accountability, and integrity. The CoC also helps us in integrating sustainability parameters into our supply chain. The CoC covers aspects such as labour rights, anti-bribery and corruption, health and safety, environment, ethics, data privacy, confidentiality, and information protection.

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

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.

   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	Confederation of Indian Industry	National
2	Pharmaceuticals Export Promotion Council of India	National
3	The Federation of TG and AP Chambers of Commerce & Industry (FTAPCCI)	State
4	Bulk Drugs Manufacturers Association	State
5	JNPC Manufacturers Association	State
6	The Associated Chambers of Commerce & Industry of India	National
7	Indo American Chamber of Commerce, Hyderabad	State
8	Indian Drug Manufacturers Association	National
9	Federation of Indian Chambers of Commerce and Industry	National

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
NA	NA	NA

Leadership Indicators

1. Details of public policy positions advocated by the entity: **NIL**

Sr. No.	Public Policy Advocated	Method resorted for such advocacy	Whether information available in public domain (Yes/No)	Frequency of review by Board (Annually/Half Yearly/ Quarterly, others- please specify)	Web link if available
	NIL	NIL	NIL	NIL	NIL

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. **NIL**

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
NA	NA	NA	NA	NA	NA

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format: **NIL**

Sr. 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 ₹)
	NA	NA	NA	NA	NA	NA

Business Responsibility & Sustainability Reporting

3. Describe the mechanisms to receive and redress grievances of the community.

   Consent of the community is obtained in major or the activities taken up by company. In case of any grievances, company representatives from each plant are accessible to community. And also through Mail or written communication and once been addressed, communicate back on the same channel of communication.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	5%	6%
Directly from within India	70%	58%

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.

Location	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
Rural	77%	77%
Semi-urban	16%	16%
Urban	NIL	NIL
Metropolitan	7%	7%

(Place to be categorised as per RBI Classification System - rural/ semi-urban/ urban/ metropolitan)

Note: Numbers mentioned above are specific to India locations geography.

Classification is based on the RBI Guidelines and Census 2011

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): **Not applicable**

Details of negative social impact identified	Corrective action taken
NA	NA

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

Sr. No.	State	Aspirational District	Amount spent (In ₹)
	NA	NA	NA

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

   (b) From which marginalised/vulnerable groups do you procure?

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

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

Sr. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
	NA	NA	NA	NA

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

Name of authority	Brief of the Case	Corrective action taken
NA	NA	NA

6. Details of beneficiaries of CSR Projects:

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
(i)	**Promoting health care, eradicating hunger & Water Plant**		
	Pure Little Hearts Foundation	38	100%
	Hrudaya Foundation	22	100%
	Anna Prasadam for Eradicate hunger by Touch Stone Charities	Group of people	
	Water Plant	Group of people	
	Contribution for construction of community Kitchen	Group of people	
	Total		
(ii)	**Promoting Education**		
	Financial Support Super 60 Coaching programme	60	100%
	School Building at Moguluru	200	100%
	Support for ZP High School Kothur	450	100%
	Renovation of IGIAT Boys Hostel	700	100%
	Toilet Block at Andhra University	Group of people	
	School Teacher Salary	141	
	Stipend for Gitam University Students	40	100%
	Total		
(iii)	**Promoting gender equality**		
	Renovation of APSWR (G) Hostel	500	100%
	Financail support for Sewing Mechines under women empowerment programme	100	100%
	Total		
(iv)	**Ensuring environmental sustainability**		
	Construction of Public Toilets & Parks	Group of people	
	Garden Adopton at Tirumala	Group of people	
	Utkarsh Global Foundation for Environment awareness program	Group of people	
	Construction of Public Toilets & Parks	Group of people	
	Total		
(vii)	**Promoting Sports**		
	Financial Support for Ground renovation	Group of people	
	Financial Support for Golf Player	1	
	Financial Support for Tennis Player Player	1	
(x)	**Rural Development projects**		
	Fogging Mechine at Dibbapalem Grama Panchayat	Group of people	
	Garbage Vehicle to Pudimadaka Gram Panchayat	Group of people	
	Construction of Rythu Market at Munagapaka	Group of people	
	Rural Development projects	Group of people	
	Financial Support for District Fire Ofiice	Group of people	
	Laurus Skill Development Center	Group of people	

Business Responsibility & Sustainability Reporting

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.

   Consumer complaints will be received by mail and reply to them after due investigations.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about: **NIL**

Particulars	As a percentage to total turnover
Environmental and social parameters relevant to the product	We comply with the applicable and relevant laws and regulations of the countries we operate in with respect to disclosure of information on environmental and social parameters relevant to the products
Safe and responsible usage	
Recycling and/or safe disposal	

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

	FY24 (Current Financial Year)		Remarks	FY23 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	NIL	NIL	NA	NIL	NIL	NA
Advertising	NIL	NIL	NA	NIL	NIL	NA
Cyber-security	NIL	NIL	NA	NIL	NIL	NA
Delivery of essential services	NIL	NIL	NA	NIL	NIL	NA
Restrictive Trade Practices	NIL	NIL	NA	NIL	NIL	NA
Unfair Trade Practices	NIL	NIL	NA	NIL	NIL	NA
Other	NIL	NIL	NA	NIL	NIL	NA

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

	Number	Reasons for recall
Voluntary recalls	NIL	NIL
Forced recalls	NIL	NIL

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.

   Yes

   https://www.lauruslabs.com/Investors/PDF/Policies/LaurusLabsLimitedPrivacy-policy.pdf

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.

   N/A

7. Provide the following information relating to data breaches: **NIL**

   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**

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available). https://www.lauruslabs.com/

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

   Proper labelling based on the regulatory requirements. – **Yes**

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

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/ No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No) **No**

Independent Auditors' Report

To The Members of
Laurus Labs Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Laurus Labs Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, 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, 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SAs") 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 judgement, 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 – Refer Note 17 of standalone financial statements** The Company recognises revenue from products based on the terms and conditions of transactions which varies with different customers. For sale transactions in a certain period of time around the Balance Sheet date, it is essential to ensure that the control of goods have transferred to the customers. As revenue recognition is subject to management's judgement on whether the control of the goods have been transferred, we consider cut-off of revenue as a key audit matter.	**Principal audit procedures performed included the following:** We obtained an understanding of the revenue recognition process and tested the Company's controls around the timely and accurate recording of sales transactions. We have obtained an understanding of a sample of customer contracts. We tested the access and change management controls of the relevant information technology system in which shipments are recorded. Our test of revenue samples focused on sales recorded immediately before the year-end, obtaining evidence to support the appropriate timing of revenue recognition, based on terms and conditions set out in sales contracts and delivery documents.

Information Other than the Financial Statements and Auditors' Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including annexures to Board's report, Report on Corporate Governance and Business Responsibility and Sustainability Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The Management Discussion and Analysis, Board's report including annexures to Board's report, Report on Corporate Governance and Business Responsibility and Sustainability Report is expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and will not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether 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.

- When we read the Management Discussion and Analysis, Board's report including annexures to Board's report, Report on Corporate Governance 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 Those Charged with Governance 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 judgements 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 is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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 are 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 judgement 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 so far as it appears from our examination of those books of account.

   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 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to 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 on the operating effectiveness of the Company's internal financial controls with reference to standalone financial statements for the reasons stated therein.

g) With respect to the other matters to be included in the Auditors' 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.

h) With respect to the other matters to be included in the Auditors' 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 39(C) 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 41(vi) 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 41(vii) 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. (a) The first interim dividend declared and paid by the company during the year and until the date of this report is in accordance with section 123 of the Act, as applicable.

(b) The second interim dividend declared by the Company during the year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to declaration of dividend. However, the said dividend was not due for payment on the date of this audit report.

(c) The interim dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

vi. Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2024 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. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

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

2. As required by the Companies (Auditors' 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)

C Manish Muralidhar
Partner
(Membership No. 213649)
(UDIN: 24213649BKCJEN6949)

Place: Hyderabad
Date: April 25, 2024

Annexure “A” to the Independent Auditors’ Report

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

Report on the Internal Financial Controls with reference to 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 Laurus Labs Limited (“the Company”) as at March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

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 standalone 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 standalone 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, 2024, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

C Manish Muralidhar
Partner
(Membership No. 213649)

Place: Hyderabad
Date: April 25, 2024

Annexure "B" to the Independent Auditors' 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) (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 and right-of-use assets so to cover all the items once in 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 physical 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) Based on our examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date. Immovable properties of land whose title deeds have been pledged as security for term loans and working capital limits are held in the name of the Company based on the confirmations directly received by us from lenders.

(d) The Company has not revalued any of its property, plant and equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 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, which have been received subsequent to the year-end), 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. 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, book debt statements, statements on ageing analysis of the debtors and other stipulated financial information filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.

(iii) The Company has made investments in, provided guarantee and granted unsecured loans to companies during the year, in respect of which:

(a) The Company has made investments in, provided / stood guarantee and granted unsecured loans during the year and details of which are given below:

(₹ in crores)

		Investments	Loans	Guarantees
A.	Aggregate amount granted / provided during the year:			
	– Subsidiaries	170.73	283.00	155.00
	– Associates	80.02	-	-
	– Others	-	1.36	-
B.	Balance outstanding as at balance sheet date in respect of above cases:			
	– Subsidiaries	431.27	232.50	434.22
	– Associates	126.02	-	-
	– Others	-	0.60	-

The Company has not provided any advances in the nature of loans or security to any other entity during the year.

(b) The investments made, guarantees provided and the terms and conditions of the grant of all the above-mentioned loans during the year are in our opinion, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made, guarantees, and securities provided, as 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 books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally 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, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Name of Statute	Nature of Dues	Amount (in ₹ crores)	Period for which the amount relates to	Forum where dispute is pending
AP VAT Act, 2005	Sales Tax	0.00^	2014-2016	Sales Tax and VAT Appellate Tribunal, Andhra Pradesh
Finance Act, 1994	Service Tax	21.01*	2010-2015	Customs Excise and Service Tax Appellate Tribunal
		17.66**	2015-2017	
Customs Act, 1962	Customs Duty	17.53#	2012-2013	

^ Net of ₹ 0.36 crores paid under protest

* Net of ₹ 0.37 crores paid under protest

**Net of ₹ 0.61 crores paid under protest

#Net of ₹ 2.00 crores paid under protest

(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 or other borrowings or in the payment of interest thereon to any lender during the year.

(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 financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies.

(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.

(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.

(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 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 March 2024.

(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) and (c) of the Order is not applicable.

(d) The Group does not have any 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 cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the 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 has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

(b) In respect of ongoing projects, the company does not have any unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year and also at the end of the current financial year. Hence, reporting under this clause is not applicable for the year.

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

C Manish Muralidhar
Partner
(Membership No. 213649)

Place: Hyderabad
Date: April 25, 2024

Balance Sheet

as at March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

Particulars	Note	March 31, 2024	March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,902.77	2,780.98
Right-of-use assets	39A	115.99	90.54
Capital work-in-progress	3	155.51	357.06
Other Intangible assets	4	17.55	12.64
Financial assets			
Investments	5A	634.87	384.12
Other financial assets	5C	43.90	46.78
Loans	5B	226.50	64.50
Other non-current assets	7A	53.28	50.08
Total non-current assets		**4,150.37**	**3,786.70**
Current assets			
Inventories	8	1,697.16	1,569.27
Financial assets			
Trade receivables	9	1,640.50	1,487.42
Cash and cash equivalents	10A	42.63	1.42
Other balances with banks	10B	0.29	0.28
Loans	5B	6.60	6.59
Other financial assets	5C	8.82	16.31
Other current assets	7B	121.11	89.97
Total current assets		**3,517.11**	**3,171.26**
Total assets		**7,667.48**	**6,957.96**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	107.79	107.73
Other equity		4,099.26	3,949.09
Total equity		**4,207.05**	**4,056.82**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	13A	490.53	565.49
Lease liabilities	39A	53.10	28.06
Provisions	15A	88.26	78.54
Deferred tax liability (net)	6	66.31	76.74
Other non-current liabilities	14A	26.44	45.99
Total non-current liabilities		**724.64**	794.82
Current liabilities			
Financial liabilities			
Borrowings	13B	1,558.53	1,115.89
Trade payables			
-total outstanding dues of micro enterprises and small enterprises	13C	22.78	28.15
-total outstanding dues of creditors other than micro enterprises and small enterprises	13C	974.00	638.21
Lease liabilities	39A	7.66	4.82
Other financial liabilities	13D	39.33	144.04
Other current liabilities	14B	75.48	111.74
Provisions	15B	24.00	19.42
Income tax liabilities (net)	16	34.01	44.05
Total current liabilities		**2,735.79**	**2,106.32**
Total - equity and liabilities		**7,667.48**	**6,957.96**
Summary of material accounting policies	2.2		

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

As per our report of even date

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
ICAI Firm Registration Number: 117366W/W-100018

C Manish Muralidhar
Partner
Membership No. 213649

Place: Hyderabad
Date: April 25, 2024

For and on behalf of the Board of Directors
LAURUS LABS LIMITED

Dr. Satyanarayana Chava
Executive Director & Chief Executive Officer
DIN: 00211921

V.V. Ravi Kumar
Executive Director & Chief Financial Officer
DIN: 01424180

G.Venkateswar Reddy
Company Secretary

Place: Hyderabad
Date: April 25, 2024

Statement of Profit and Loss

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

	Particulars	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
I.	INCOME			
	Revenue from operations	17	4,812.39	5,773.45
	Other income	18	27.05	4.75
	Total income (I)		**4,839.44**	**5,778.20**
II.	EXPENSES			
	Cost of materials consumed	19	2,396.95	2,515.94
	Purchase of traded goods		110.92	155.71
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	(102.48)	40.82
	Employee benefits expenses	21	552.21	496.57
	Other expenses	22	1,104.91	1,082.65
	Total expenses (II)		**4,062.51**	**4,291.69**
III.	Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) (I-II)		**776.93**	**1,486.51**
	Depreciation and amortisation	3,4 & 39A	345.01	300.58
	Finance income	23A	(20.37)	(11.20)
	Finance costs	23B	150.82	145.70
IV.	Profit before tax		**301.47**	**1,051.43**
V.	Tax expense	27		
	Current tax		87.94	270.78
	Deferred tax		(10.17)	20.27
	Income tax expense		**77.77**	**291.05**
VI.	Profit for the year (IV-V)		**223.70**	**760.38**
	Other comprehensive income (OCI)	24		
	Items that will not be reclassified subsequently to profit or loss:			
	Remeasurement gains/(losses) on defined benefit plans		(1.02)	1.06
	Tax on remeasurement of defined benefit plans		**0.26**	**(0.27)**
	Total other comprehensive income/(loss) for the year, net of tax		**(0.76)**	**0.79**
	Total comprehensive income for the year, net of tax		**222.94**	**761.17**
	Earnings per equity share ₹2/- each fully paid (March 31, 2023: ₹2/- each fully paid)	25		
	Computed on the basis of total profit for the year			
	Basic (₹)		4.15	14.14
	Diluted (₹)		4.15	14.09
	Summary of material accounting policies	2.2		

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

As per our report of even date

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
ICAI Firm Registration Number: 117366W/W-100018

C Manish Muralidhar
Partner
Membership No. 213649

Place: Hyderabad
Date: April 25, 2024

For and on behalf of the Board of Directors
LAURUS LABS LIMITED

Dr. Satyanarayana Chava
Executive Director & Chief Executive Officer
DIN: 00211921

V.V. Ravi Kumar
Executive Director & Chief Financial Officer
DIN: 01424180

Place: Hyderabad
Date: April 25, 2024

G.Venkateswar Reddy
Company Secretary

Statement of Changes in Equity

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

a) Equity share capitall

Equity shares of ₹2/- each, fully paid up	No.	₹
As at April 01, 2022	**537,359,335**	**107.47**
Issued during the year - ESOP	1,291,590	0.26
As at March 31, 2023	**538,650,925**	**107.73**
Issued during the year - ESOP	314,933	0.06
As at March 31, 2024	**538,965,858**	**107.79**

b) Other equity

Particulars	Reserves and surplus				Other comprehensive income	Total
	Capital reserve	Securities Premium	Share based payments reserve	Retained Earnings	Re-measurement gains or losses on employee defined benefit plans	
As at April 01, 2022	**1.79**	**701.32**	**9.14**	**2,577.18**	**(8.69)**	**3,280.74**
Profit for the year	-	-	-	760.38	-	760.38
Expense arising from equity-settled share-based payment transactions	-	-	7.48	-	-	7.48
Transferred from stock options outstanding	-	11.74	(4.57)	-	-	7.17
Dividend on equity shares	-	-	-	(107.47)	-	(107.47)
Remeasurement on net defined benefit liability, net of tax	-	-	-	-	0.79	0.79
As at March 31, 2023	**1.79**	**713.06**	**12.05**	**3,230.09**	**(7.90)**	**3,949.09**
Profit for the year	-	-	-	223.70	-	223.70
Expense arising from equity-settled share-based payment transactions	-	-	10.92	-	-	10.92
Transferred from stock options outstanding	-	4.02	(1.53)	-	-	2.49
Dividend on equity shares	-	-	-	(86.18)	-	(86.18)
Remeasurement on net defined benefit liability, net of tax	-	-	-	-	(0.76)	(0.76)
As at March 31, 2024	**1.79**	**717.08**	**21.44**	**3,367.61**	**(8.66)**	**4,099.26**

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

As per our report of even date

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
ICAI Firm Registration Number: 117366W/W-100018

C Manish Muralidhar
Partner
Membership No. 213649

Place: Hyderabad
Date: April 25, 2024

For and on behalf of the Board of Directors
LAURUS LABS LIMITED

Dr. Satyanarayana Chava
Executive Director & Chief Executive Officer
DIN: 00211921

V.V. Ravi Kumar
Executive Director & Chief Financial Officer
DIN: 01424180

Place: Hyderabad
Date: April 25, 2024

G.Venkateswar Reddy
Company Secretary

Statement of Cash Flows

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before tax	301.47	1,051.43
Cash Flows from operating activities		
Adjustments for:		
Depreciation and amortisation	345.01	300.58
Loss on sale of Property, plant and equipment (net)	0.80	0.19
Finance income	(20.37)	(11.20)
Interest expense	143.81	126.84
Share based payment expense	10.92	7.48
Net (gain)/loss on foreign exchange fluctuations (unrealised)	(6.77)	18.58
Provisions no longer required written back	-	(1.04)
Allowance for bad and doubtful advance and debts	4.92	1.08
Operating profit before working capital changes	**779.79**	**1,493.94**
Movement in working capital:		
(Increase)/Decrease in inventories	(127.87)	119.43
Increase in trade receivables	(155.78)	(219.23)
(Increase)/ Decrease in financial and non-financial assets	(26.66)	12.55
Increase/(Decrease) in trade payables	328.90	(180.98)
Decrease in financial, non-financial liabilities and provisions	(41.86)	(76.03)
Cash generated from operations	**756.52**	**1,149.68**
Income tax paid	(97.98)	(268.13)
Net cash flows from operating activities (A)	**658.54**	**881.55**
Cash flows used in investing activities		
Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances	(367.32)	(741.84)
Proceeds from sale of property, plant and equipment	1.55	1.23
Movement in other bank balances	-	(0.05)
Investment in associates	(80.02)	(22.30)
Investment in subsidiaries	(170.73)	(0.10)
Loan given to subsidiaries	(283.00)	(48.20)
Loan repaid by subsidiaries	121.00	65.92
Interest received	21.78	10.07
Net cash flows used in investing activities (B)	**(756.74)**	**(735.27)**
Net cash flows from financing activities		
Proceeds from exercise of employee stock options	2.56	7.44
Repayment of long - term borrowings	(179.33)	(226.18)
Proceeds from long - term borrowings	177.37	200.00
Proceeds from Short - term borrowings (net)	375.60	69.60
Payment of lease liabilities	(7.41)	(5.79)
Dividend paid	(86.18)	(107.47)
Interest paid	(143.20)	(122.79)
Net cash flows from/(used in) financing activities (C)	**139.41**	**(185.19)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	41.21	(38.91)
Cash and cash equivalents at the beginning of the year	1.42	40.33
Cash and cash equivalents at the year end	**42.63**	**1.42**
Components of cash and cash equivalents:		
Cash on hand	0.06	0.07
Balances with banks		
On current accounts	42.57	1.35
Total cash and cash equivalents	**42.63**	**1.42**

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

As per our report of even date

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
ICAI Firm Registration Number: 117366W/W-100018

C Manish Muralidhar
Partner
Membership No. 213649

Place: Hyderabad
Date: April 25, 2024

For and on behalf of the Board of Directors
LAURUS LABS LIMITED

Dr. Satyanarayana Chava
Executive Director & Chief Executive Officer
DIN: 00211921

V.V. Ravi Kumar
Executive Director & Chief Financial Officer
DIN: 01424180

Place: Hyderabad
Date: April 25, 2024

G.Venkateswar Reddy
Company Secretary

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

1. Corporate information

Laurus Labs Limited (the "Company") offers a broad and integrated portfolio of Active Pharma Ingredients (API) including intermediates, Generic Finished dosage forms (FDF) and Contract Research services to cater to the needs of the global pharmaceutical industry. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the company is located at Laurus Enclave, Plot Office 01, E. Bonangi Village, Parawada Mandal, Anakapalli District, Andhra Pradesh – 531021.

The Company is equipped with an Active Pharma Ingredients (API) manufacturing facilities, FDF drug manufacturing facility situated in Parawada and Achutapuram at Visakhapatnam and a Research and Development Centre in IKP Knowledge Park at Hyderabad.

These financial statements are authorised by the Board of Directors for issue in accordance with their resolution dated April 25, 2024.

2. Material accounting policies

2.1 Basis of preparation

(a) The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS'), under the historical cost basis except for certain financial instruments which are measured at fair values at the end of each reporting period as explained in the accounting policies below, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after and presentation requirements of Division II of Schedule III to the Companies Act, 2013.

2.2 Summary of material accounting policies

(a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

(b) Foreign currencies

The financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

(c) Fair value measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

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

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

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

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

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

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

The Company's chief financial officer and the financial controller of the Company determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. Any change in the fair value of each asset and liability is also compared with relevant external sources to determine whether the change is reasonable.

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

(d) Revenue recognition

Revenue from contracts with customers is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. When a performance obligation is satisfied, the revenue is measured at the transaction price which is consideration received or receivable, net of returns and allowances, trade discounts and volume rebates after taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company derives revenues primarily from manufacture and sale of Active Pharma Ingredients (API) including intermediates, Generic Finished dosage forms (FDF) and Contract Research services (together called as "Pharmaceuticals").

The following is summary of material accounting policies relating to revenue recognition. Further, refer note no. 17 for disaggregate revenues from contracts with customers.

Sale of products

The Company recognises revenue for supply of goods to customers against orders received. The majority of contracts that company enters into relate to sales orders containing single performance obligations for the delivery of pharmaceutical products as per Ind AS 115. Product revenue is recognised when control of the goods is passed to the customer. The point at which control passes is determined based on the terms and conditions by each customer arrangement. Revenue is not recognised until it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Amount representing the profit share component is recognised as revenue only to the extent that it is highly probable that a significant reversal will not occur.

The Company also recognises revenue where goods are ready as per customer request and pending dispatch at the instance of the customer. In such cases, the products are separately identified as belonging to the customer and the Company does not hold the right to redirect the product to another customer. On satisfaction of all performance obligations, invoice is raised on the customer in accordance with customer request at regular payment terms.

Sale of services

Revenue from services rendered, which primarily relate to contract research, is recognised in the statement of profit and loss as the underlying services are performed. Upfront non-refundable payments received under these arrangements are deferred and recognised as revenue over the expected period over which the related services are expected to be performed.

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or the amount is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Interest income

For all debt financial instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Interest income is included in finance income in the Statement of Profit and Loss.

Dividends

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

(e) Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

Export incentives are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

(f) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income ("OCI") or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

(g) Property, plant and equipment

Under the previous GAAP (Indian GAAP), property, plant and equipment and capital wok in progress were carried

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

in the balance sheet at cost of acquisition. The Company has elected to regard those values of property, plant and equipment as deemed cost at the date of the acquisition since there is no change in the functional currency as at 1 April 2015 (date of transition to Ind AS) on the date of transition to Ind AS. The Company has also determined that cost of acquisition or construction at deemed cost as at 1 April 2015.

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

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

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance or extends its estimated useful life. Freehold land is not depreciated.

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

Factory buildings	:	30 years
Other buildings	:	60 years
Plant and equipment	:	5 to 20 years
Furniture and fixtures	:	10 years
Vehicles	:	4 to 5 years
Computers	:	3 to 6 years

The Company, based on technical assessment and management estimate, depreciates certain items of plant and equipment and vehicles over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively/retrospectively, as appropriate.

(h) Intangible assets

Computer Software

Costs relating to software, which is acquired, are capitalised and amortised on a straight-line basis over their estimated useful lives of five years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

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

(i) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The determination of whether an arrangement is (or contains) a lease is based on

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term and useful life of the underlying asset. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

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

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(j) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(k) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on weighted average basis.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- Stores, spares and packing materials are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(l) Impairment of non-financial assets

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

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss. An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods/ years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(m) 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 an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(n) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund by a third party.

The cost of providing benefits under the defined benefit plan is determined based on projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to Statement of Profit or Loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

The Company treats accumulated leaves which are to be settled after 12 months as a long-term employee benefit and accumulated leaves which are to be settled in the next 12 months as a short-term employee benefit for measurement

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

purposes. Such accumulated leaves are provided for based on an actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

(o) Share-based payments

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments.

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using Black Scholes valuation model.

That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(p) Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a siginficant financing component are measured at transaction price. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, a 'debt instrument' is measured at the amortised cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 9.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

a) the rights to receive cash flows from the asset have expired, or

b) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

  i. the Company has transferred substantially all the risks and rewards of the asset, or

  ii. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits and bank balances.

b) Trade receivables that result from transactions that are within the scope of Ind AS 115.

The Company follows 'simplified approach' for recognition of impairment loss. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition.

If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Company estimates the following provision matrix at the reporting date:

Particulars	% of provision on outstanding receivables
> 1 year and < 2 years	25 %
> 2 years and < 3 years	50 %
> 3 years	100 %

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss ("FVTPL"), loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to Statement of Profit or Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit or Loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(q) Investments in subsidiaries

In respect of equity investments, the entity prepares separate financial statements and account for its investments in subsidiaries at cost, net of impairment if any.

(r) Derivative instruments and hedge accounting

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

Changes in the fair value of derivative contracts that economically hedge monetary assets and liabilities in foreign currencies, and for which no hedge accounting is applied, are recognised in the statement of profit and loss. The changes in fair value of such derivative contracts, as well as the foreign exchange gains and losses relating to the monetary items, are recognised in the Statement of Profit and Loss.

(s) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

(t) Research and Development

Revenue expenditure on research and development is charged to revenue in the period in which it is incurred. Capital expenditure on research and development is added to property, plant and equipment and depreciated in accordance with the policies of the Company.

(u) Measurement of EBITDA

The Company presents EBITDA in the statement of profit or loss, which is neither specifically required by Ind AS 1 nor defined under Ind AS. Ind AS complaint Schedule III allows companies to present line items, sub-line items and sub-totals shall be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the company's financial position or performance or to cater to industry/sector-specific disclosure requirements or when required for compliance with the amendments to the Companies Act or under the Indian Accounting Standards.

Accordingly, the Company has elected to present EBITDA as a separate line item on the face of the Statement of Profit and Loss and does not include depreciation and amortisation expense, finance income, finance costs, share of profit/loss from associate and tax expense in the measurement of EBITDA.

(v) New standards and interpretations not yet adopted

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

3. Property, plant and equipment

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Computers	Vehicles	Total
Gross carrying value at cost							
As at April 01, 2022	**170.86**	**829.78**	**2,025.79**	**49.19**	**27.67**	**21.80**	**3,125.09**
Additions	0.35	286.51	644.64	34.09	12.78	11.97	990.34
Disposals	-	-	(25.47)	(0.26)	(0.01)	(3.60)	(29.34)
As at March 31, 2023	**171.21**	**1,116.29**	**2,644.96**	**83.02**	**40.44**	**30.17**	**4,086.09**
Additions	3.61	90.13	335.08	9.93	9.28	9.79	457.82
Disposals	-	-	(5.16)	-	-	(4.61)	(9.77)
As at March 31, 2024	**174.82**	**1,206.42**	**2,974.88**	**92.95**	**49.72**	**35.35**	**4,534.14**
Depreciation							
As at April 01, 2022	**-**	**164.69**	**826.88**	**25.60**	**16.94**	**8.49**	**1,042.60**
Charge for the year	-	41.30	231.85	5.22	4.97	7.09	290.43
Disposals	-	-	(25.01)	(0.04)	-	(2.87)	(27.92)
As at March 31, 2023	**-**	**205.99**	**1,033.72**	**30.78**	**21.91**	**12.71**	**1,305.11**
Charge for the year	-	46.43	264.02	9.53	6.06	7.64	333.68
Disposals	-	(0.05)	(3.52)	-	-	(3.85)	(7.42)
As at March 31, 2024	**-**	**252.37**	**1,294.22**	**40.31**	**27.97**	**16.50**	**1,631.37**
Net carrying value							
As at March 31, 2023	**171.21**	**910.30**	**1,611.24**	**52.24**	**18.53**	**17.46**	**2,780.98**
As at March 31, 2024	**174.82**	**954.05**	**1,680.66**	**52.64**	**21.75**	**18.85**	**2,902.77**

Notes:

(i) Pledge on Property, plant and equipment:

Property, plant and equipment (other than vehicles) with a net carrying amount aggregating ₹2,883.92 (March 31, 2023: ₹2,763.52) are subject to a pari passu first charge on the Company's term loans. Further, the property, plant and equipment (other than vehicles) are subject to a pari passu second charge on the Company's current borrowings. Also, refer note 13A and 13B.

(ii) The title deeds of all immovable properties are held in the name of the Company. The Company has not revalued its property,plant and equipment.

(iii) Refer note no. 33 for purchase and sale of Property, plant and equipment to related parties.

(iv) Capital work-in-progress (CWIP) ageing schedule:

For the year ended March 31, 2024

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	138.83	14.15	2.53	-	155.51
Projects temporarily suspended	-	-	-	-	-

For the year ended March 31, 2023

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	345.20	11.86	-	-	357.06
Projects temporarily suspended	-	-	-	-	-

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

(v) For CWIP, whose completion is overdue or has exceeded its cost compared to its original plan the project wise details of when the project is expected to be completed it given below:

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Balance as on March 31, 2024	**-**	**-**	**-**	**-**	**-**
Projects in progress					
MB 9 - Unit IV	118.49	-	-	-	118.49
MB 6 - Unit VI	131.03	-	-	-	131.03
Balance as on March 31, 2023	**249.52**	**-**	**-**	**-**	**249.52**

4. Other Intangible assets

Particulars	Computer software	Total intangible assets
Gross carrying value at cost		
As at April 01, 2022	**32.98**	**32.98**
Additions	7.03	7.03
Disposals	-	-
As at March 31, 2023	**40.01**	**40.01**
Additions	9.54	9.54
Disposals	-	-
As at March 31, 2024	**49.55**	**49.55**
Amortisation		
As at April 01, 2022	**22.43**	**22.43**
Charge for the year	4.94	4.94
Disposals	-	-
As at March 31, 2023	**27.37**	**27.37**
Charge for the year	4.63	4.63
Disposals	-	-
As at March 31, 2024	**32.00**	**32.00**
Net carrying value		
As at March 31, 2023	**12.64**	**12.64**
As at March 31, 2024	**17.55**	**17.55**

5. Financial assets

		March 31, 2024	March 31, 2023
A.	**Investments**		
	Equity instruments of subsidiaries and associates	514.64	343.91
	Compulsorily convertible preference shares of associate	116.82	36.80
	Others	3.41	3.41
	Total	**634.87**	**384.12**

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

(Unquoted ,except otherwise stated)

(a) Investment in equity instruments - carried at cost	March 31, 2024	March 31, 2023
I. Investments in subsidiaries		
- 9,700 Equity Shares of Laurus Generics Inc (March 31, 2023: 9,700) of US$ 100 each fully paid-up	34.16	34.16
- 14,203,363 (March 31, 2023:14,203,363) Equity Shares of ₹10 each fully paid-up of Sriam Labs Private Limited	28.19	28.19
- 8,500 (March 31, 2023: 8,500) Equity Shares of GBP 100 each fully paid-up in Laurus Holdings Limited	7.79	7.79
- 107,600 (March 31, 2023:100,000) Equity Shares of ₹10 each fully paid-up of Laurus Synthesis Private Limited (Note v)	99.23	0.10
- 2,000 (March 31, 2023: 2,000) Equity Shares of ZAR 1.00 each fully paid-up in Laurus Generics SA (Pty) Limited	0.03	0.03
- 2,35,919 (March 31, 2023: 198,278) Equity Shares of ₹10 each fully paid-up in Laurus Bio Private Limited (Note i)	332.04	260.44
- 100,000 (March 31, 2023:100,000) Equity Shares of ₹10 each fully paid-up of Laurus Specialty Chemicals Private Limited (Note iv)	0.10	0.10
Sub-Total (I)	**501.54**	**330.81**
II. Investments in associates		
-996 (March 31, 2023: 996) Equity shares of ₹10 each fully paid-up of Immunoadoptive Cell Therapy Private Limited	9.20	9.20
- 740,000 (March 31, 2023: 740,000) Equity shares of ₹10 each fully paid-up of Ethan Energy India Private Limited (Note iii)	3.90	3.90
Sub-Total (II)	**13.10**	**13.10**
Total (a) (I+II)	**514.64**	**343.91**

(b) Investment in Compulsorily convertible preference shares - carried at cost	March 31, 2024	March 31, 2023
Investments in associates		
- 3,983 Compulsorily Convertible preference shares of ₹10 each fully paid Series A of Immunoadoptive Cell Therapy Private Limited (March 31, 2023: 3,983 of ₹10 each fully paid)	36.80	36.80
- 2,028 Compulsorily Convertible preference shares of ₹10 each fully paid Series B of Immunoadoptive Cell Therapy Private Limited (March 31, 2023: nil) (Note ii)	80.02	-
Total (b)	**116.82**	**36.80**
Total (a+b)	**631.46**	**380.71**

Notes:

i) During the year ended March 31, 2024, the Company acquired additional 14.54% stake in Laurus Bio Private Limited (LBPL) for a purchase consideration of ₹71.60 crores. Consequently, the total shareholding in LBPL has increased to 91.14%. (As on March 31, 2023, the Company holds 76.60%).

ii) During the year ended March 31, 2024, Pursuant to the investment agreement entered into by the Company with Immunoadoptive Cell Therapy Private Limited (ImmunoAct), the Company made further capital contribution towards tranche 1 of Series B Compulsorily convertible preference shares (CCPS) amounting to ₹48.01 crores during the quarter ended September 30, 2023 and ₹32.01 crores towards tranche 2 of Series B CCPS during the quarter ended March 31,2024 in ImmunoAct. Accordingly, the Company's stake in ImmunoAct has increased to 34.89% as on March 31, 2024. (As on March 31, 2023, the Company holds 27.57%)

iii) During the year ended March 31, 2023, the Company entered into an investment agreement with Ethan Energy India Private Limited ("Ethan Energy") to acquire 26% stake, for agreed consideration of ₹3.90 Crores.

iv) The Company incorporated wholly owned subsidiary, Laurus Specialty Chemicals Private Limited (LSCPL) in India on December 01, 2022. LSCPL has not commenced its operations.

v) During the year ended March 31, 2024, the Company infused further equity into LSPL by subscribing to rights issue offered for acquiring 7,600 equity shares of ₹10 each for a consideration of ₹99.13 crores.

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

vi) The Company has complied with number of layers prescribed under clause 87 of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

Unquoted investments (measured at fair value through profit and loss)	March 31, 2024	March 31, 2023
- 3,405,000 (March 31, 2023: 3,405,000) Equity Shares of ₹10 each of Atchutapuram Effluent Treatment Ltd.	3.41	3.41
Total	**3.41**	**3.41**

B. Loans

Particulars	March 31, 2024	March 31, 2023
Non-current (unsecured, considered good unless otherwise stated)		
Other loans		
- Loans to related parties* (Refer note no. 33)	226.50	64.50
Total	**226.50**	**64.50**
Current (unsecured, considered good unless otherwise stated)		
Other loans		
- Loans to employees	0.60	0.59
- Loans to related parties* (Refer note no. 33)	6.00	6.00
Total	**6.60**	**6.59**

* Percentage to the total loans 99.7% (March 31, 2023: 99.2%)

C. Other financial assets

Particulars	March 31, 2024	March 31, 2023
Non-current (unsecured, considered good unless otherwise stated)		
Security deposits	31.39	30.27
Export and other incentives receivable (net)*	12.51	16.51
Total	**43.90**	**46.78**
Current (unsecured, considered good unless stated otherwise)		
Export and other incentives receivable (net)*	8.60	14.73
Insurance claim receivable	-	0.60
Derivative foreign currency forward contracts	0.22	0.98
Total	**8.82**	**16.31**

* Export and other incentives have been recognised on the following:

a) Incentive in the form of duty credit scrip upon sale of exports under Merchandise Exports from India Scheme under Foreign Trade Policy of India 2015-20.

b) Existing Foreign Trade Policy 2015-20, has been extended till September 30, 2022 vide notification no.64/2015-2020 dated 31.03.2022 & Public Notice No.53/2015-2020 dated 31.03.2022

c) Sales tax incentive and reimbursement of power cost under the Andhra Pradesh state incentives IIPP 2015-20 scheme. Incentives are eligible for five years from the date of commencement of production. There are no unfulfilled conditions or contingencies attached to these incentives.

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

6. Deferred tax assets/(liability) (Net)

Particulars		March 31, 2024	March 31, 2023
Deferred tax liability			
Income tax at the applicable rate on the difference between the aggregate book written down value and tax written down value of property, plant and equipment		(119.93)	(121.80)
	(A)	**(119.93)**	**(121.80)**
Deferred tax asset			
Expenses allowable on payment basis		32.95	24.64
Other items giving raise to temporary differences		20.67	20.42
	(B)	**53.62**	**45.06**
Deferred tax assets/(liability) (Net)	(A+B)	**(66.31)**	**(76.74)**

For the year ended March 31, 2024:

Particulars	Opening balance	Recognised/ Utilised during the year	Recognised in other comprehensive income	Closing balance
Accelerated depreciation for tax purposes	(121.80)	1.87	-	(119.93)
Expenses allowable on payment basis	24.65	8.30	-	32.95
Other items giving rise to temporary differences	20.41		0.26	20.67
Total	**(76.74)**	**10.17**	**0.26**	**(66.31)**

For the year ended March 31, 2023:

Particulars	Opening balance	Recognised/ Utilised during the year	Recognised in other comprehensive income	Closing balance
Accelerated depreciation for tax purposes	(151.86)	30.07	-	(121.80)
Expenses allowable on payment basis	30.00	(5.35)	-	24.65
Other items giving rise to temporary differences	18.43	2.25	(0.27)	20.41
Total (a)	**(103.44)**	**26.97**	**(0.27)**	**(76.74)**
MAT credit entitlement written off **(b)** {refer note 27(d)}	33.21	(33.21)	-	-
Total (a+b)	**(70.23)**	**(6.24)**	**(0.27)**	**(76.74)**

The Company has accounted for deferred tax liabilities (net) of ₹66.31 (March 31, 2023: ₹76.74) based on approval of business plan by board, agreements entered with customers, orders on hand, successful patent filings and a portfolio of drugs.

There are no unrecognised deferred tax assets and liabilities as at March 31, 2024 and March 31, 2023.

7. Other assets

Particulars	March 31, 2024	March 31, 2023
A) Non-current (unsecured, considered good unless otherwise stated)		
Capital advances	30.88	34.72
Advances recoverable in cash or kind	-	0.04
Prepayments	19.06	12.01
Balances with statutory/Government authorities	2.00	2.00
Taxes paid under protest	1.34	1.35
	53.28	**50.12**
Less: Allowance for doubtful advances	-	(0.04)
Total	**53.28**	**50.08**
B) Current (unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or kind	19.38	21.58
Advances to related parties (Refer note no. 33)	0.82	-
Prepayments	23.73	18.14
Balances with statutory/Government authorities	76.45	48.16
Others	0.73	2.09
Total	**121.11**	**89.97**

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

8. Inventories

Particulars	March 31, 2024	March 31, 2023
(At lower of cost and net realisable value)		
Raw materials [including port stock and stock-in-transit ₹78.61 (March 31, 2023: ₹83.87)]	479.57	465.30
Work-in-progress	666.05	543.50
Finished goods	481.88	501.95
Stores, spares and packing materials	69.66	58.52
Total	**1,697.16**	**1,569.27**

9. Trade receivables

Particulars	March 31, 2024	March 31, 2023
Unsecured		
Considered good	1,525.33	1,422.59
Receivable from related parties (Refer note no. 33)	115.17	64.83
Credit impaired	5.57	1.32
	1,646.07	**1,488.74**
Less: Allowance for doubtful debts	(5.57)	(1.32)
Total	**1,640.50**	**1,487.42**

a) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

b) Trade receivables are non-interest bearing and are generally on terms of 30 - 120 days.

c) Of the trade receivables balance, ₹538.10 in aggregate (as at March 31, 2023 ₹487.71) is due from the Company's customers individually representing more than 5 % of the total trade receivables balance.

d) The Company has used practical expedient by computing the expected credit loss allowance for doubtful trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking estimates. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates used in the provision matrix.

e) Trade receivables is net of bills discounted without recourse aggregating ₹33.82 (as at March 31, 2023 ₹37.63)

(f) Movement in the expected credit loss allowance	March 31, 2024	March 31, 2023
Balance at the beginning of the year	1.32	0.30
Movement in expected credit loss allowance on trade receivables	4.25	1.02
Balance at the end of the year	**5.57**	**1.32**

Trade Receivables ageing schedule for the year ended March 31,2024:

Particulars		Not Due	Outstanding from due date of payment					Total
			Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	More than 3 years	
i)	Undisputed Trade receivables - considered good	1,052.84	521.15	50.31	16.20	-	-	1,640.50
ii)	Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii)	Undisputed Trade receivables - credit impaired	-	-	-	5.57	-	-	5.57
iv)	Disputed trade receivables - considered good	-	-	-	-	-	-	-
v)	Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi)	Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total		**1,052.84**	**521.15**	**50.31**	**21.77**	**-**	**-**	**1,646.07**

Notes to Financial Statements
for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

Trade Receivables ageing schedule for the year ended March 31,2023:

Particulars	Not Due	Outstanding from due date of payment					Total
		Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables - considered good	1,077.17	330.75	77.38	2.12	-	-	1,487.42
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade receivables - credit impaired	-	-	-	1.32	-	-	1.32
iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	**1,077.17**	**330.75**	**77.38**	**3.44**	**-**	**-**	**1,488.74**

10. Cash and cash equivalents and other bank balances

Particulars	March 31, 2024	March 31, 2023
A) Cash and cash equivalents		
Balances with banks		
- On current accounts	42.57	1.35
Cash on hand	0.06	0.07
Total	**42.63**	**1.42**
B) Other balances with banks		
On deposit accounts		
- Unclaimed dividend accounts	0.29	0.28
Total	**0.29**	**0.28**

11. Equity share capital

Particulars	March 31, 2024	March 31, 2023
Authorised		
555,000,000 (March 31, 2023: 555,000,000) Equity shares of ₹2/- each	111.00	111.00
Total	**111.00**	**111.00**
Issued, Subscribed and Paid Up		
538,965,858 (March 31, 2023: 538,650,925) Equity shares of ₹2/- each	107.79	107.73
Total	**107.79**	**107.73**

11.1.Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity Shares of ₹2/- each, fully paid up	For the year ended March 31, 2024		For the year ended March 31, 2023	
	No.	₹	No.	₹
Balance as per last financial statements (₹2/- each)	538,650,925	107.73	537,359,335	107.47
Issued during the year - ESOP (₹2/-each)	314,933	0.06	1,291,590	0.26
Outstanding at the end of the year	**538,965,858**	**107.79**	**538,650,925**	**107.73**

11.2. Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹2/- per share. Each holder of equity shares is entitled to one vote per share at the general meetings of the Company. For liquidation terms refer note 11.2a.

The Company declares and pays dividends in Indian rupees. The final dividend, if any, proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2024, the amount of dividend (first interim dividend ₹0.40 and second interim dividend ₹0.40) per share declared as distribution to equity shareholders was ₹0.80 (March 31, 2023: first interim dividend ₹0.80 and second interim dividend ₹1.20 per share declared as distribution to equity shareholders was ₹2.00).

Notes to Financial Statements
for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

11. 2a. Liquidation terms and preferential rights

The liquidation terms of the equity shares are as follows:

(a) If the company shall be wound up, the Liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act divide amongst the shareholders, in specie or kind the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(b) For the purpose aforesaid, the Liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the shareholders or different classes of shareholders.

11.3 Details of shareholders holding more than 5% shares of the Company:

Particulars	March 31, 2024		March 31, 2023	
Equity shares of ₹2/- each held by	% Holding	No.	% Holding	No.
M/s. NSN Holdings represented by Dr. Satyanarayana Chava	23.03%	124,126,740	23.04%	124,126,740
New World Fund Inc	6.50%	35,030,409	5.29%	28,511,600

11.4 Details of shares held by the promoters of the Company:

Equity Shares held by promoters as at March 31, 2024 and March 31, 2023

Promoter Name	March 31, 2024			March 31, 2023		
	No of shares	% of total shares	% Change during the year	No of shares	% of total shares	% Change during the year
M/s. NSN Holdings (represented by Dr. Satyanarayana Chava)	124,126,740	23.03%	-	124,126,740	23.04%	-
Dr. C.V. Lakshmana Rao	13,450,145	2.50%	-	13,450,145	2.50%	-
M/s. Leven Holdings (represented by Mr. V.V. Ravi Kumar) *	6,705,000	1.24%	-	6,705,000	1.24%	100.00%
Mr. V. V. Ravi Kumar*	1,000,000	0.19%	-	1,000,000	0.19%	-87.02%
Mr. Narasimha Rao Chava	119,675	0.02%	-	119,675	0.02%	-
Mr. Chandrakanth Chereddi	42,000	0.01%	-	42,000	0.01%	-
Mrs. V. Krishnaveni	201,397	0.04%	-	201,397	0.04%	-
Mr. C. Sekhar Babu	100,000	0.02%	-	100,000	0.02%	-
Mrs. V. Hymavathi	225,000	0.04%	-	225,000	0.04%	-
Mrs. Soumya Chava	10,440	0.00%	-	10,440	0.00%	-
Mr. Krishna Chaitanya Chava	20,699	0.00%	-	20,699	0.00%	-
Mrs. T. Nagamani	100,000	0.02%	-	100,000	0.02%	-
Mrs. K. Kamala	100,000	0.02%	-	100,000	0.02%	-
Mr. S. Narasimha Rao	147,500	0.03%	-	147,500	0.03%	-
Mrs. S. Rama	170,000	0.03%	-	170,000	0.03%	-

* Mr. V.V. Ravi Kumar, Promoter of the Company had transferred 67,05,000 shares to partnership firm M/s. Leven Holdings on November 02, 2022.

11.5. Details of shares reserved for issue under options

For details of shares reserved for issue under Employee Stock Options Scheme plan of the Company, refer note no. 29

11.6. Other equity

Particulars	March 31, 2024	March 31, 2023
Capital reserve	1.79	1.79
Securities premium	717.08	713.06
Share based payment reserve	21.44	12.05
Retained earnings	3,367.61	3,230.09
Other comprehensive income	(8.66)	(7.90)
Total	**4,099.26**	**3,949.09**

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

Nature and purpose of reserves

Capital reserve:

Represents capital reserve balances of acquired entities which are transferred to the Company upon merger.

Securities premium:

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

Share based payments reserve:

The fair value of the equity-settled share based payment transactions with employees is recognised in statement of profit and loss with corresponding credit to Share based payments reserve. This will be utilised for allotment of equity shares against outstanding employee stock options.

Retained earnings:

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distribution to share holders.

Other Comprehensive Income:

Comprises of: Re-measurement of defined employee benefit plans: Difference between the interest income on plan assets and the return actually achieved, any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments with in the plans, are recognised in other comprehensive income and subsequently not reclassified in to statement of profit and loss.

12. Dividends paid and proposed

Cash dividends on equity shares declared and paid:	2023-24		2022-23	
	Dividend per equity share	Amount	Dividend per equity share	Amount
First interim dividend for the financial year 2022-23 (face value of ₹2/- each)	-	-	0.80	42.99
Second interim dividend for the financial year 2022-23 (face value of ₹2/- each)	1.20	64.64	-	-
First interim dividend for the financial year 2023-24 (face value of ₹2/- each)	0.40	21.54	-	-
Total		**86.18**		**42.99**
Proposed dividends on equity shares:				
Second interim dividend for the financial year 2022-23 (face value of ₹2/- each)	-	-	1.20	64.64
Second interim dividend for the financial year 2023-24 (face value of ₹2/- each)*	0.40	21.56	-	-
Total		**21.56**		**64.64**

*The Board of Directors of the Company in their meeting held on April 25, 2024 have approved for payment of second interim dividend and the Company has fixed May 08, 2024 as “Record Date” for determining the eligibility of the Shareholders. Accordingly, the Company has not recognised the said proposed dividend as a liability as at March 31, 2024.

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

13. Financial liabilities

Particulars	March 31, 2024	March 31, 2023
A) Non-current borrowings		
Term loans		
Indian rupee loans from banks (Secured)	359.72	341.88
Foreign currency loans from banks (Secured)	130.81	223.61
Total	**490.53**	**565.49**
Current maturities of non-current borrowings		
Term loans		
Indian rupee loans from banks (Secured)	154.97	75.41
Foreign currency loans from banks (Secured)	93.37	105.53
	248.34	180.94
Less: Amount disclosed under the head "current borrowings"	(248.34)	(180.94)
Total	-	-
B) Current borrowings		
Cash credits and working capital demand loans		
Indian rupee loans from banks (Secured)	696.68	353.30
Indian rupee loans from banks (Un Secured)	516.53	487.11
Buyers credit from banks (Secured)	44.09	34.34
Buyers credit from banks (Unsecured)	52.89	60.20
Current maturities of non-current borrowings	248.34	180.94
Total	**1,558.53**	**1,115.89**

(a) The details of Indian rupee term loans from banks are as under:

Name of the Bank	Outstanding as on March 31, 2024	Outstanding as on March 31, 2023	Sanction Amount	No. of Instalments	Commencement of instalments	Effective interest rate^
HDFC Bank (HDFC)	100.00	140.00	200.00	20 quarterly instalments of ₹10	December 2021	Repo + 1.25% (March 31, 2023: Repo + 1.25%)
The Hongkong & Shanghai Banking Corporation (HSBC)	46.88	65.63	150.00	16 quarterly instalments of ₹9.375	July 2021	T Bill + 0.29% (March 31, 2023: T Bill + 0.29%)
CITI Bank (CITI)	5.00	11.67	40.00	24 quarterly instalments of ₹1.67	January 2019	T Bill + 0.28% (March 31, 2023: T Bill + 0.28%)
HDFC Bank (HDFC)	172.93	-	200.00	22 quarterly instalments ranging from ₹5 to ₹10	March 2024	1M T Bill + 1.20%
Axis Bank (Axis)	189.88	200.00	200.00	20 quarterly instalments ranging from ₹2.50 to ₹11.875	May 2023	Repo +1.50% (March 31, 2023: Repo + 1.50%)

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

(b) Foreign Currency loans from banks comprise of Foreign Currency Non Resident Term Loan (FCNR TL) and ECB loan:

Name of the Bank & Nature of Loan	Outstanding as on March 31, 2024	Outstanding as on March 31, 2023	Sanction Amount	No. of Instalments	Commencement of instalments	Effective interest rate^
State Bank of India (SBI) - FCNR TL*	-	66.86	US$ 13.80 Mn	18 quarterly instalments of ₹5.55	December 2021	SOFR plus 1.25% p.a. (March 31, 2023: SOFR plus 1.50% p.a.)
State Bank of India (SBI) - FCNR TL*	-	68.36	US$ 13.25 Mn	18 quarterly instalments of ₹5.55	December 2021	SOFR plus 1.50% p.a. (March 31, 2023: SOFR plus 1.05% p.a.)
State Bank of India (SBI) - FCNR TL*	89.40	-	US$ 12.08 Mn	11 quarterly instalments of ₹11.113	July 2023	SOFR plus 1.25% p.a. (March 31, 2023: nil)
The Hongkong & Shanghai Banking Corporation (HSBC), Singapore - ECB TL	-	12.83	US$ 25 Mn	16 quarterly instalments of ₹12.84	July 2019	LIBOR plus 0.76% p.a. (March 31, 2023: LIBOR plus 0.76% p.a.)
State Bank of India (SBI) - New York - ECB TL	134.78	181.08	US$ 25 Mn	17 quarterly instalments of ₹12.07	November 2022	LIBOR plus 0.97% p.a. (March 31, 2023: LIBOR plus 0.97% p.a.)

* During year ended March 31, 2024, SBI FCNR Term Loans have been converted to a single SBI Term Loan and converted back to SBI FCNR Term Loan.

^ Secured Overnight Financing Rate (SOFR), London Interbank Offer Rate (LIBOR) and Marginal Cost of Funds based Lending Rate (MCLR)

(c) All term loans are secured by pari passu first charge on the property, plant and equipment (both present and future) except to the extent of assets exclusively charged to banks. They are further secured by pari passu second charge on current assets (both present and future).

(d) Current borrowings are availed in both Rupee and Foreign currencies. Interest on rupee loans ranges from MCLR plus 0% to 0.10% (March 31, 2023: MCLR plus 0% to 0.10%). Buyers credit loan interest ranges from SOFR plus 0.30% to SOFR plus 0.45% (March 31, 2023: SOFR plus 0.15% to SOFR plus 0.67%). The secured current borrowings are backed by pari passu first charge on current assets and pari passu second charge on the fixed assets (both present and future). [March 31, 2023: The secured current borrowings are backed by pari passu first charge on current assets and pari passu second charge on the fixed assets (both present and future)].

(e) The Company has used the borrowings for the purposes for which it was taken.

(f) The quarterly returns of current assets filed by the Company with banks are in agreement with the books of account.

(g) Reconciliation of liabilities from financing activities are given below:

Particulars	March 31, 2023	Cash flows	Non-cash transactions foreign exchange loss	March 31, 2024
Non-current borrowings including current maturities	746.43	(1.96)	5.60	738.87
Current borrowings	934.95	375.60	0.36	1,310.19

Particulars	March 31, 2022	Cash flows	Non-cash transactions foreign exchange gain	March 31, 2023
Non-current borrowings including current maturities	754.39	(26.18)	(18.22)	746.43
Current borrowings	865.27	69.60	(0.08)	934.95

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

C) Trade payables

Particulars	March 31, 2024	March 31, 2023
Valued at amortised cost		
- Total outstanding dues to creditors other than micro enterprises and small enterprises	954.31	608.17
- Outstanding dues to related parties (refer note no. 33)	19.69	30.04
Total	**974.00**	**638.21**
- Total outstanding dues to micro enterprises and small enterprises (refer note no. 30)	22.78	28.15
Total	**22.78**	**28.15**

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 30-120 day terms.

For explanations on the Company's credit risk management processes, refer note no. 37.

Trade Payables ageing schedule for the year ended March 31, 2024

Particulars		Unbilled	Not due	Outstanding from due date of payment				Total
				Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
i)	Total outstanding dues to micro enterprises and small enterprises	-	22.78	-	-	-	-	22.78
ii)	Total outstanding dues to creditors other than micro enterprises and small enterprises	115.80	499.90	355.29	2.70	0.30	0.01	974.00
iii)	Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
iv)	Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total		**115.80**	**522.68**	**355.29**	**2.70**	**0.30**	**0.01**	**996.78**

Trade Payables ageing schedule for the year ended March 31, 2023

Particulars		Unbilled	Not due	Outstanding from due date of payment				Total
				Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
i)	Total outstanding dues to micro enterprises and small enterprises	-	28.15	-	-	-	-	28.15
ii)	Total outstanding dues to creditors other than micro enterprises and small enterprises	119.12	268.80	243.80	2.70	0.05	3.74	638.21
iii)	Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
iv)	Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total		**119.12**	**296.95**	**243.80**	**2.70**	**0.05**	**3.74**	**666.36**

D) Other financial liabilities

Particulars	March 31, 2024	March 31, 2023
Capital creditors	31.49	136.82
Interest accrued*	7.84	7.22
Total	**39.33**	**144.04**

* Interest accrued but not due is normally settled monthly/quarterly throughout the financial year.

Notes to Financial Statements
for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

14. Other non-current and current liabilities

Particulars	March 31, 2024	March 31, 2023
A) Non-current		
Advances from customers	26.44	45.99
	26.44	**45.99**
B) Current		
Advances from customers	63.81	97.97
Unclaimed dividend	0.29	0.28
Statutory dues	11.38	13.49
Total	**75.48**	**111.74**

15. Provisions

Particulars	March 31, 2024	March 31, 2023
A) Non-current provisions		
Provision for gratuity (Refer note no. 28)	55.97	49.35
Provision for compensated absences	32.29	29.19
Total	**88.26**	**78.54**
B) Current provisions		
Provision for gratuity (Refer note no. 28)	10.23	7.59
Provision for compensated absences	13.77	11.83
Total	**24.00**	**19.42**

16. Income tax liabilities

Particulars	March 31, 2024	March 31, 2023
Income tax liabilities		
Provision for taxes [net of advance tax ₹809.25 (March 31, 2023: ₹737.77)]	34.01	44.05
Total	**34.01**	**44.05**

17. Revenue from operations

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of products			
Income from sale of API, Intermediates and Formulations		4,508.61	5,469.39
Income from sale of traded goods		111.67	158.80
	(A)	4,620.28	5,628.19
Sale of services			
Contract research services		153.91	114.13
	(B)	153.91	114.13
Other operating revenue			
Sale of scrap		12.81	11.44
Others		25.39	19.69
	(C)	38.20	31.13
Revenue from operations	(A+B+C)	**4,812.39**	**5,773.45**

Notes to Financial Statements
for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

Notes:

(i) Reconciliation of revenue from sale of products with the contracted price	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue as per contracted price, net of returns	4,451.38	5,417.06
Adjusted for:		
Profit sharing adjustments	57.23	52.33
Total revenue from contracts with customers	**4,508.61**	**5,469.39**

(ii) Disaggregated revenue information	For the year ended March 31, 2024	For the year ended March 31, 2023
Below is the disaggregation of the Company's revenue from contracts with customers.		
Revenue from operations - Domestic	1,984.55	1,684.00
Revenue from operations - Exports	2,827.84	4,089.45
Total	**4,812.39**	**5,773.45**
Timing of revenue recognition		
Goods transferred at a point of time	4,658.48	5,659.32
Services transferred over time	153.91	114.13
Total	**4,812.39**	**5,773.45**

(iii) Details of contract balances	March 31, 2024	March 31, 2023
Trade receivables (Refer note no. 9)	1,640.50	1,487.42
Advance from customers (Refer note no. 14)	90.25	143.96

(iv) The amount of revenue recognised from advances from customers at the beginning of the year ₹96.13 (March 31, 2023: ₹165.69)

(v) Revenue from customers contributing more than 10% of total revenue amounts to ₹nil (March 31, 2023: ₹1,432.09)

18. Other income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net gain on foreign exchange fluctuations	4.59	-
Bad debts recovered	-	0.40
Provision no longer required written back	-	1.04
Insurance claim	17.05	-
Corporate support service income	5.40	3.31
Miscellaneous income	0.01	-
Total	**27.05**	**4.75**

19. Cost of materials consumed

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
Raw materials consumed			
Opening stock at the beginning of the year		465.30	547.35
Add: Purchases		2,353.20	2,389.27
		2,818.50	**2,936.62**
Less: Closing stock at the end of the year		479.57	465.30
	(A)	**2,338.93**	**2,471.32**
Packing materials consumed	(B)	58.02	44.62
Total	(A+B)	**2,396.95**	**2,515.94**

Notes to Financial Statements
for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

20. Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening stock of inventories		
Finished goods of API, Intermediates and Formulations	501.95	491.62
Work-in-progress of API, Intermediates and Formulations	543.50	594.65
	1,045.45	**1,086.27**
Closing stock of inventories		
Finished goods of API, Intermediates and Formulations	481.88	501.95
Work-in-Progress of API, Intermediates and Formulations	666.05	543.50
	1,147.93	**1,045.45**
(Increase)/Decrease in inventories of finished goods and work-in-progress	**(102.48)**	**40.82**
(Increase)/Decrease in finished goods of API, Intermediates and Formulations	20.07	(10.33)
(Increase)/Decrease in Work-in-Progress of API, Intermediates and Formulations	(122.55)	51.15
(Increase)/Decrease in inventories of finished goods and work-in-progress	**(102.48)**	**40.82**

21. Employee benefits expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, allowances and wages	414.40	373.96
Contribution to provident fund and other funds	26.68	24.05
Gratuity expense (Refer note no. 28)	12.77	11.56
Share based payment expense (Refer note no. 29)	10.92	7.48
Managerial remuneration	20.28	18.69
Recruitment and training	1.00	1.30
Staff welfare expenses	66.16	59.53
Total	**552.21**	**496.57**

22. Other expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Consumption of stores and spares	58.66	60.42
Conversion charges	59.72	52.78
Factory maintenance	189.63	171.27
Effluent treatment expenses	84.43	66.32
Power and fuel	309.67	301.10
Repairs and maintenance		
Plant and machinery	82.05	66.15
Buildings	10.24	9.11
Others	2.66	2.65
Product development	47.31	29.77
Testing and analysis charges	2.57	0.89
Rent	1.39	1.50
Rates and taxes	25.44	30.84
Office maintenance	4.55	3.29
Insurance	30.67	25.86
Printing and stationery	3.07	3.26
Consultancy and other professional charges	18.21	22.46
Membership and subscription	9.64	8.34
Remuneration to auditors		

Notes to Financial Statements
for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
-Audit fee	0.62	0.56
-Tax audit fee	-	0.06
-Limited review	0.36	0.36
-Other services	0.05	0.09
-Out of pocket expenses	0.04	0.03
Travelling and conveyance	7.71	6.96
Communication expenses	2.92	2.77
Loss on sale of property, plant and equipment (net)	0.80	0.19
Allowance for bad and doubtful advance and debts	4.92	1.08
Net loss on foreign exchange fluctuations	-	24.10
Carriage outwards	44.80	42.38
Commission on sales	28.80	32.35
Other selling expenses	1.91	3.26
Business promotion and advertisement	48.17	93.52
CSR expenditure (Refer note no. 26)	22.28	17.90
Donations	1.50	0.88
Miscellaneous expenses	0.12	0.15
Total	**1,104.91**	**1,082.65**

23A. Finance Income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income on		
Intercorporate loan	16.77	8.54
Electricity deposits and others	3.60	2.66
Total	**20.37**	**11.20**

23B.Finance costs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest		
- on term loans	52.57	32.68
- on working capital loans	83.57	65.56
- on others	4.43	6.02
Total interest expense	**140.57**	**104.26**
Bank charges	7.01	18.86
Exchange differences to the extent considered as an adjustment to finance costs	3.24	22.58
Total	**150.82**	**145.70**

24. Components of other comprehensive income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Remeasurement gains/(losses) on defined benefit plans	(1.02)	1.06
Deferred tax on remeasurement of defined benefit plans	0.26	(0.27)
Total	**(0.76)**	**0.79**

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

25. Earnings per share (EPS)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Profit available for equity shareholders	223.70	760.38
Weighted average number of equity shares in computing basic EPS	538,749,879	537,730,888
Add: Effect of dilution		
Stock options granted under ESOP	915,791	1,869,599
Weighted Average number of Equity Shares in computing diluted earnings per share	539,665,671	539,600,487
Face value of each equity share (₹)	2.00	2.00
Earnings per share		
- Basic (₹)	4.15	14.14
- Diluted (₹)	4.15	14.09

26. Details of CSR expenditure

As per the requirement of the Companies Act, 2013, gross amount required to be spent by the Company during the year is ₹22.01 (March 31, 2023: ₹17.03). The nature of CSR activities undertaken by the company includes promoting education, health care and environmental sustainability. The details of CSR expenditure is given below.

CSR Activities	For the year ended March 31, 2024		
	In cach	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
	(-)	(-)	(-)
(ii) On purposes other than (i) above	22.28	-	22.28
	(17.90)	(-)	(17.90)

Amounts in bracket indicate previous year numbers. There is no shortfall at the end of March 31,2024 and March 31, 2023 in terms of amount required to be spent by the company.

The above includes contribution made to Laurus Charitable Trust amounting to ₹22.12 (March 31, 2023: ₹10.18) (Refer note no.33)

27. Taxes

(a) Income tax expense:

The major components of income tax expenses for the period ended March 31, 2024 and for the year ended March 31, 2023 are:

(i) Statement of Profit and Loss

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax	87.94	270.78
Deferred tax credit*	(10.17)	20.27
Total income tax expense recognised in Statement of Profit and Loss	**77.77**	**291.05**

* Including Mat credit entitlement/(utilisation/reversals) of ₹nil (March 31, 2023: ₹(33.21) crores)

(ii) Other comprehensive income (OCI)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Tax on remeasurement of defined benefit plans	0.26	(0.27)
Tax on fair value movements on cash flow hedges	-	-
Total tax recognised in OCI	**0.26**	**(0.27)**

Notes to Financial Statements
for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

(b) Reconciliation of effective tax rate:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before tax (A)	301.47	1,051.43
Enacted tax rate in India (B)	25.17%	25.17%
Expected tax expenses (C = A*B)	75.87	264.62
Permanent Difference		
Expenses disallowed under Income Tax Act, 1961	24.52	28.04
Impact of rate change on deferred tax	-	(25.43)
Deferred Tax Liability Originating and reversing during tax holiday period	-	39.49
MAT Credit reversal	-	33.21
Tax pertaining to earlier years	(10.98)	14.04
Others	(6.01)	15.65
Total (D)	**7.53**	**105.00**
Profit after adjusting permanent difference	309.00	1,156.43
Expected tax expense	77.77	291.05
Total Tax expense	77.77	291.05
Effective Tax rate	25.80%	27.68%

(c) The details of component of deferred tax assets are given under note 6.

(d) During the year ended March 31, 2023, the Company elected to exercise the option permitted under Section 115BAA of the Income-Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the year ended March 31, 2023 and remeasured its deferred tax assets/liabilities based on the rate prescribed in the said Section.

28. Gratuity

Defined Benefit Plans

The Company has a defined benefit gratuity plan and governed by Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service is entitled to a gratuity on departure at 15 days salary for each completed year of service. The scheme is funded through a policy with SBI Life Insurance Company Limited. The following tables summarise net benefit expenses recognised in the Statement of Profit and Loss, the status of funding and the amount recognised in the Balance sheet for the gratuity plan:

Particulars		March 31, 2024	March 31, 2023
A)	**Net employee benefit expense (recognised in Employee benefits expenses)**		
	Current service cost	8.67	8.05
	Interest cost	4.32	3.63
	Expected return on plan assets	(0.22)	(0.12)
	Net employee benefit expenses	**12.77**	**11.56**
	Actual return on plan asset	(0.15)	(0.09)
B)	**Amount recognised in the Balance Sheet**		
	Defined benefit obligation	69.92	59.24
	Fair value of plan assets	3.72	2.30
		66.20	**56.94**
C)	**Changes in the present value of the defined benefit obligation**		
	Opening defined benefit obligation	59.24	50.34
	Current service cost	8.67	8.05
	Interest cost	4.32	3.63
	Benefits paid	(3.33)	(1.72)
	Net actuarial (gains) / losses on obligation for the year recognised under OCI	1.02	(1.06)
	Closing defined benefit obligation	**69.92**	**59.24**

Notes to Financial Statements
for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

Particulars		March 31, 2024	March 31, 2023
D)	**Change in the fair value of plan assets**		
	Opening fair value of plan assets	2.30	1.13
	Actual return on plan assets	0.15	0.09
	Contributions	4.60	2.80
	Benefits paid	(3.33)	(1.72)
	Closing fair value of plan assets	**3.72**	**2.30**
	The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:		
	Investments with SBI Life Insurance Company Limited	100.00 %	100.00 %
E)	**Remeasurement adjustments:**		
	Financial (loss)/ gain on plan assets	(1.02)	1.06
	Remeasurement gains/(losses) recognised in other comprehensive income:	**(1.02)**	**1.06**

(i) The principal assumptions used in determining gratuity for the Company's plans are shown below:

Particulars	March 31, 2024	March 31, 2023
Discount rate	7.23 %	7.51 %
Expected rate of return on assets	7.23 %	7.51 %
Salary escalation	11.00 %	11.00 %
Attrition rate	17.00 %	15.00 %

The estimates of future salary increases, considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(ii) Disclosure related to indication of effect of the defined benefit plan on the entity's future cashflows:

Expected benefit payments for the year ending:

Year ending	March 31, 2024	March 31, 2023
Year 1	10.27	7.62
Year 2	9.54	7.11
Year 3	9.03	7.24
Year 4	8.35	6.90
Year 5	7.91	6.43
Beyond 5 years	67.84	35.33

The average duration of the defined benefit plan obligation at the end of the reporting period is 25.70 years (March 31, 2023: 25.72 years).

(iii) Sensitivity analysis:

A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
(a)	Effect of 1 % change in assumed discount rate on defined benefit obligation		
	- 1 % increase	(3.72)	(3.44)
	- 1 % decrease	3.80	3.69
(b)	Effect of 1 % change in assumed salary escalation rate on defined benefit obligation		
	- 1 % increase	3.37	3.31
	- 1 % decrease	(3.53)	(3.29)
(c)	Effect of 1 % change in assumed attrition rate on defined benefit obligation		
	- 1 % increase	(0.74)	(0.64)
	- 1 % decrease	0.47	0.53

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

(iv) Defined contribution plan

Particulars	March 31, 2024	March 31, 2023
Contribution to Provident Fund	24.64	22.14
Contribution to Superannuation Fund	2.34	2.14

29. Share based payments

ESOP 2016 Scheme

The board of directors/ compensation committee has approved the Laurus Employees Stock Option Scheme (ESOP) 2016 for issue of stock options to eligible employees of the Company effective from June 09, 2016. According to the Scheme, the options granted vest within a period of four years, subject to the terms and conditions specified in the scheme. Options granted shall vest so long as the employee continues to be in the employment of the Company as on the date of vesting. Subject to an employee's continued employment with the Company, options can be exercised any time on or after the date of vesting of options as specified in the respective grants under the Scheme.

ESOP 2018 Scheme

The board of directors/ compensation committee has approved the Laurus Employees Stock Option Scheme (ESOP) 2018 for issue of stock options to eligible employees of the Company. According to the Scheme, the options granted vest within a period of four years, subject to the terms and conditions specified in the scheme. Options granted shall vest so long as the employee continues to be in the employment of the Company as on the date of vesting. Subject to an employee's continued employment with the Company, options can be exercised any time on or after the date of vesting of options as specified in the respective grants under the Scheme.

ESOP 2021 Scheme

The board of directors/ compensation committee has approved the Laurus Employees Stock Option Scheme (ESOP) 2021 for issue of stock options to eligible employees of the Company. According to the Scheme, the options granted vest within a period of five years, subject to the terms and conditions specified in the scheme. Options granted shall vest so long as the employee continues to be in the employment of the Company as on the date of vesting. Subject to an employee's continued employment with the Company, options can be exercised any time on or after the date of vesting of options as specified in the respective grants under the Scheme.

Exercise period

Scheme	Grant	Date of Grant	Exercise price	Weighted Average Fair value of option at grant date	Number of options Granted	Year 1 25%	Year 2 25%	Year 3 50%
ESOP 2016	Grant II	December 01, 2018	292.00	167.83	537,150	01-Dec-20	01-Dec-21	01-Dec-22
ESOP 2016	Grant III	April 01, 2022	350.00	199.73	270,750	01-Apr-24	01-Apr-25	01-Apr-26
ESOP 2016	Grant IV	April 01, 2023	301.50	194.81	350,500	01-Apr-25	01-Apr-26	01-Apr-27
ESOP 2018	Grant I	December 01, 2019	255.50	150.88	149,750	01-Dec-21	01-Dec-22	01-Dec-23
ESOP 2018	Grant II	April 01, 2021	356.00	217.10	707,000	01-Apr-23	01-Apr-24	01-Apr-25
ESOP 2018	Grant III	April 01, 2022	350.00	199.73	5,000	01-Apr-24	01-Apr-25	01-Apr-26

Scheme	Grant	Date of Grant	Exercise price	Weighted Average Fair value of option at grant date	Number of options Granted	Year 1 25%	Year 2 25%	Year 3 25%	Year 4 25%
ESOP 2021	Grant I	April 01, 2023	301.50	197.44	787,500	01-Apr-25	01-Apr-26	01-Apr-27	01-Apr-28

Notes to Financial Statements
for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

The details of activity under the Scheme ESOP 2016 are summarised below:

Particulars	March 31, 2024	March 31, 2023
	No. of options	No. of options
Outstanding at the beginning of the year	258,435	1,158,460
Granted during the year	350,500	270,750
Forfeited during the year	16,185	26,640
Exercised during the year	-	1,144,135
Outstanding at the end of the year	592,750	258,435
Weighted average exercise price for all the above options	321.53	292.00

The details of activity under the Scheme ESOP 2018 are summarised below:

Particulars	March 31, 2024	March 31, 2023
	No. of options	No. of options
Outstanding at the beginning of the year	947,950	1,135,685
Granted during the year	-	5,000
Forfeited during the year	52,598	45,280
Exercised during the year	314,933	147,455
Outstanding at the end of the year	580,419	947,950
Weighted average exercise price for all the above options	355.95	255.50

The details of activity under the Scheme ESOP 2021 are summarised below:

Particulars	March 31, 2024	March 31, 2023
	No. of options	No. of options
Outstanding at the beginning of the year	-	-
Granted during the year	787,500	-
Forfeited during the year	-	-
Exercised during the year	-	-
Outstanding at the end of the year	787,500	-
Weighted average exercise price for all the above options	301.50	-

For options exercised during the year, the weighted average share price at the exercise date under under ESOP 2016 scheme, as at March 31, 2024 ₹ nil per share (March 31, 2023: ₹58.40 per share) and under ESOP 2018 scheme, as at March 31, 2024 ₹81.25 per share (March 31, 2023: ₹51.10 per share).

The weighted average remaining contractual life for the stock options outstanding under ESOP 2016 as at March 31, 2024 is 3.59 years (March 31, 2023: 4.01 years) , under ESOP 2018 as at March 31, 2024 is 2.01 years (March 31, 2023: 2.90) and under ESOP 2021 as at March 31, 2024 is 5 years (March 31, 2023: nil). The range of exercise prices for options outstanding under ESOP 2016 as at March 31, 2024 was ₹301.50 to ₹350.00 (March 31, 2023: ₹292.00 to ₹352.50) and under ESOP 2018 as at March 31, 2024 was ₹350.00 to ₹356.00 (March 31, 2023: ₹255.50 to ₹356.00) and ESOP 2021 as at March 31, 2024 was ₹301.50 (March 31, 2023: ₹ Nil)

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

The weighted average fair value of stock options granted during the year under ESOP 2016 scheme as at March 31, 2024 ₹194.81 (March 31, 2023: ₹167.83) , under ESOP 2018 scheme as at March 31, 2024 ₹ nil (March 31, 2023: ₹150.08) and under ESOP 2021 scheme as at March 31, 2024 ₹197.44 (March 31, 2023: ₹ Nil). The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	March 31, 2024						
	ESOP 2016 scheme			ESOP 2018 scheme			ESOP 2021 scheme
	Grant IV	Grant III	Grant II	Grant III	Grant II	Grant I	Grant I
Dividend yield	0.40%	0.34%	0.39%	0.34%	0.25%	0.43%	0.40%
Expected volatility	36.4% - 41.56%	36.37% - 44.27%	26.90%	36.37% - 44.27%	36.22% - 42.13%	26.3% - 27.18%	36.4% - 41.56%
Risk-free interest rate	7.10% - 7.14%	6.15% - 6.94%	7.19% - 7.43%	6.15% - 6.94%	4.74% - 5.54%	5.53% - 6.07%	7.1% - 7.14%
Weighted average share price of ₹	401.85	466.60	384.00	466.60	474.70	350.25	401.85
Exercise price of ₹	301.50	350.00	292.00	350.00	217.10	255.50	301.50
Expected life of options granted in years	2.5 - 4.51	1.26 - 3.26	2.5 - 4.5	1.26 - 3.26	2.43 - 4.43	2.5 - 4.51	2.5 - 4.51

	March 31, 2023					
	ESOP 2016 scheme			ESOP 2018 scheme		
	Grant III	Grant II	Grant I	Grant III	Grant II	Grant I
Dividend yield	0.34%	0.39%	0.39%	0.34%	0.25%	0.43%
Expected volatility	36.37% - 44.27%	26.90%	0.00%	36.37% - 44.27%	36.22% - 42.13%	26.3% - 27.18%
Risk-free interest rate	6.15% - 6.94%	7.19% - 7.43%	7.03%	6.15% - 6.94%	4.74% - 5.54%	5.53% - 6.07%
Weighted average share price of ₹	466.60	384.00	514.79	466.60	474.70	350.25
Exercise price of ₹	350.00	292.00	550.00	350.00	217.10	255.50
Expected life of options granted in years	1.26 - 3.26	2.5 - 4.5	2.50	1.26 - 3.26	2.43 - 4.43	2.5 - 4.51

The expected life of the stock is based on the historical data and current expectations and is not necessarily indicative of exercise pattern that may occur.

30. Trade Payables (Details of dues to Micro and Small Enterprises as per MSMED Act,2006)

Particulars	March 31, 2024	March 31, 2023
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	22.78	28.15
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
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 purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-
Total	**22.78**	**28.15**

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

31. In accordance with Indian Accounting Standard (Ind AS) 108 on Operating segments, segment information has been given in the consolidated financial statements of the Company, and therefore no separate disclosure on segment information is given in these financial statements.

Notes to Financial Statements
for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

32. Research and development

i) Details of Revenue expenditure (expensed as and when incurred):

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cost of materials consumed		
Raw materials consumed	28.66	29.16
Employee benefits expenses		
Salaries, allowances and wages	74.45	69.98
Staff welfare expenses	5.52	5.35
Recruitment and training	0.13	0.13
Other expenses		
Consumption of stores and spares	1.37	1.43
Factory maintenance	8.89	6.51
Repairs and maintenance		
Plant and machinery	5.08	4.08
Effluent treatment expenses	1.81	1.56
Power and fuel	9.23	6.98
Product development	39.96	25.81
Testing and analysis charges	1.37	1.28
Rates and taxes	11.64	14.65
Insurance	1.50	1.50
Membership and subscription	3.66	2.84
Consultancy and other professional charges	9.00	11.26
Travelling and conveyance	1.32	0.75
Printing and stationery	0.18	0.66
Communication expenses	0.36	0.41
Business promotion and advertisement	0.03	0.25
Total	**204.16**	**184.59**

ii) Details of property, plant and equipment:

Particulars	Buildings	Plant and equipment	Furniture and fixtures	Computers	Total Property, plant and equipment
Gross carrying value at cost					
As at April 01, 2022	**9.89**	**89.86**	**14.16**	**4.39**	**118.30**
Additions	1.96	18.95	3.52	2.06	26.50
As at March 31, 2023	**11.85**	**108.81**	**17.68**	**6.45**	**144.80**
Additions	1.22	17.19	0.06	3.47	21.94
As at March 31, 2024	**13.07**	**126.00**	**17.74**	**9.92**	**166.74**
Depreciation					
As at April 01, 2022	**5.76**	**50.84**	**7.78**	**2.40**	**66.78**
Charge for the year	1.33	9.90	1.53	1.29	14.04
As at March 31, 2023	**7.09**	**60.74**	**9.31**	**3.69**	**80.82**
Charge for the year	1.50	13.60	1.84	1.38	18.32
As at March 31, 2024	**8.59**	**74.34**	**11.15**	**5.07**	**99.14**
Net carrying value					
As at March 31, 2023	**4.76**	**48.07**	**8.37**	**2.76**	**63.98**
As at March 31, 2024	**4.48**	**51.66**	**6.59**	**4.85**	**67.60**

* For details of pledge, refer note no. 3

Notes to Financial Statements
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33. Related party disclosures

Names of related parties and description of relationship

Name of the related party		Relationship
Subsidiary Companies		
i)	Sriam Labs Private Limited (Wholly owned subsidiary)	
ii)	Laurus Synthesis Private Limited (Wholly owned subsidiary)	
iii)	Laurus Holdings Limited (Wholly owned subsidiary)	
iv)	Laurus Generics Inc (Subsidiary of Laurus Holdings Limited)	
v)	Laurus Generics GmbH (Wholly owned subsidiary of Laurus Holdings Limited)	
vi)	Laurus Generics SA (Pty) Limited (Wholly owned subsidiary)	
vii)	Laurus Bio Private Limited (Formerly known as Richcore Lifesciences Private Limited)	
viii)	Laurus Ingredients Private Limited (Wholly owned subsidiary of Laurus Synthesis Private Limited) *	
ix)	Laurus Specialty Chemicals Private Limited (Wholly owned subsidiary)	
Associate Companies		
i)	ImmunoAdoptive Cell Therapy Private Limited	
ii)	Ethan Energy India Private Limited (w.e.f. January 03,2023)	
Enterprise over which Key Management Personnel exercise significant influence		
i)	Chemiasoft Private Limited (Formerly known as Laurus Infosystems (India) Private Limited)	
ii)	HRV Global Life Sciences Private Limited	
iii)	Laurus Charitable Trust	
iv)	Kapston Facilities Management limited	
v)	Sterotherapeutics, LLC	
vi)	NSN Investments	
Key Management Personnel		
i)	Dr. Satyanarayana Chava	Executive Director & Chief executive officer
ii)	Mr. V.V. Ravi Kumar	Executive Director & Chief financial officer
iii)	Dr. C.V. Lakshmana Rao	Executive Director
iv)	Mr. Chandrakanth Chereddi	Non-executive Director (Resigned w.e.f. October 21, 2023)
v)	Mrs. Aruna Bhinge	Independent Director
vi)	Dr. Rajesh Koshy Chandy	Independent Director
vii)	Dr. Venugopala Rao Malempati	Independent Director
viii)	Dr. Ravindranath Kancherla	Independent Director
ix)	Mr. G Venkateswar Reddy	Company Secretary
Relatives of Key Management Personnel		
i)	Mr. Narasimha Rao Chava	Brother of Dr. Satyanarayana Chava
ii)	Mr. Chandrakanth Chereddi	Son-in-Law of Dr. Satyanarayana Chava
iii)	Mr. Krishna Chaitanya Chava	Son of Dr. Satyanarayana Chava
iv)	Mrs. Soumya Chava	Daughter of Dr. Satyanarayana Chava

* The Company has not commenced its operations and no share capital has been infused and the Company has filed for striking off of the name of the company as on February 21, 2022 and MCA has approved the striking off with effect from June 01, 2023.

Notes to Financial Statements
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Transactions during the year:

		For the year ended March 31, 2024	For the year ended March 31, 2023
a)	**Subsidiary Companies**		
i)	**Sriam Labs Private Limited**		
	Conversion charges	12.82	8.45
	Purchase of goods	28.07	36.43
	Sale of goods	3.12	3.82
	Corporate Support service income	0.54	0.27
	Product development expenses	0.54	-
	Sale of assets	0.07	-
ii)	**Laurus Holdings Limited**		
	Business promotion	4.92	4.21
	Sale of services	-	5.39
	Corporate Support service income	0.05	-
iii)	**Laurus Synthesis Private Limited**		
	Investments made	99.13	-
	Loan given/(repaid) (net)*	154.00	(17.72)
	Interest income	10.86	5.50
	Conversion charges	22.60	8.84
	Purchase of goods	6.43	4.91
	Sale of goods	15.89	1.32
	Sale of assets	0.85	2.97
	Purchase of fixed assets	0.14	1.51
	Conversion Income	2.84	5.85
	Business promotion	3.14	45.10
	Corporate Support service income	3.21	2.18
	Reimbursement of expenses	1.67	0.62
	Interest received on Corporate guarantee	2.88	0.97
iv)	**Laurus Bio Private Limited**		
	Investments made	71.60	-
	Corporate Support service income	0.95	0.85
	Product development expenses	3.63	4.26
	Loan given/(repaid) (net)**	8.00	-
	Interest income	1.82	1.50
	Interest received on corporate guarantee	0.90	0.37
v)	**Laurus Specialty Chemicals Private Limited**		
	Investment made	-	0.10
b)	**Step-down subsidiary companies**		
i)	**Laurus Generics Inc**		
	Sale of goods (net)	152.83	61.22
	Business promotion	29.75	28.24
	Corporate Support service income	0.41	-
	Conversion income	2.96	-
	Interest received on corporate guarantee	0.31	0.20
ii)	**Laurus Generics GmbH**		
	Product filing fee	-	0.91
	Sale of goods	7.08	11.23
	Corporate Support service income	0.22	-

Notes to Financial Statements
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(All amounts in crores rupees except for share data or as otherwise stated)

			For the year ended March 31, 2024	For the year ended March 31, 2023
c)	**Associate companies**			
	i)	**ImmunoAdoptive Cell Therapy Private Limited**		
		Investment made	80.02	18.40
	ii)	**Ethan Energy India Private Limited**		
		Investment made	-	3.90
		Performance guarantee deposit received	-	3.73
		Purchase of solar power	4.14	-
d)	**Enterprise over which Key Management Personnel exercise significant influence**			
	i)	**Chemiasoft Private Limited**		
		Software maintenance	2.67	1.76
	ii)	**HRV Global Life Sciences Private Limited**		
		Sale of goods	0.38	-
	iii)	**Laurus Charitable Trust**		
		Donations	0.94	0.36
		CSR expenditure	22.12	10.18
	iv)	**Kapston Facilities Management limited**		
		Factory maintenance	2.65	2.34
	v)	**Sterotherapeutics, LLC**		
		Sale of goods/services	0.04	0.08
	vi)	**NSN Investments**		
		Rent	4.57	3.40
		Reimbursement of expenses	1.00	0.21
e)	**Key Management Personnel**			
	i)	**Dr. Satyanarayana Chava**		
		Remuneration	12.01	10.93
	ii)	**Mr. V.V. Ravi Kumar**		
		Remuneration	4.04	3.67
		Rent	0.11	0.10
	iii)	**Dr. C.V. Lakshmana Rao**		
		Remuneration	2.71	2.45
	iv)	**Mr. Chandrakanth Chereddi**		
		Independent directors fee	0.22	0.40
		Sitting fee	0.05	0.09
	v)	**Mrs. Aruna Bhinge**		
		Independent directors fee	0.20	0.20
		Sitting fee	0.09	0.06
	vi)	**Dr. Rajesh Koshy Chandy**		
		Independent directors fee	0.33	0.33
		Sitting fee	0.08	0.06
	vii)	**Dr. Venugopala Rao Malempati**		
		Independent directors fee	0.20	0.20
		Sitting fee	0.06	0.05
	viii)	**Dr. Ravindranath Kancherla**		
		Independent directors fee	0.20	0.20
		Sitting fee	0.05	0.05
	ix)	**Mr. G.Venkateswar Reddy**		
		Remuneration	0.84	0.67

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for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

			For the year ended March 31, 2024	For the year ended March 31, 2023
f)	**Relatives of Key Management Personnel**			
	i)	**Mr. Narasimha Rao Chava**		
		Remuneration	1.53	1.16
	ii)	**Mr. Krishna Chaitanya Chava**		
		Remuneration	1.96	1.56
	iii)	**Mrs. Soumya Chava**		
		Remuneration	0.77	-
		Rent	0.22	0.21

Closing balances (Unsecured)

			March 31, 2024	March 31, 2023
a)	**Subsidiary Companies**			
	i)	**Sriam Labs Private Limited**		
		Trade receivable	1.02	0.01
		Trade payable	9.46	6.58
	ii)	**Laurus Holdings Limited**		
		Trade payables	0.36	2.12
		Trade receivable	0.01	-
	iii)	**Laurus Synthesis Private Limited**		
		Trade payable	7.69	18.21
		Trade receivable	8.08	5.64
		Inter corporate loan	204.50	50.50
	iv)	**Laurus Bio Private Limited**		
		Trade payable	0.89	1.67
		Trade receivable	1.31	1.37
		Inter corporate loan	28.00	20.00
b)	**Step-down subsidiary Companies**			
	i)	**Laurus Generics Inc.**		
		Trade receivable	104.65	46.96
		Trade payables	-	0.22
		Advance	0.82	-
	ii)	**Laurus Generics GmbH**		
		Trade receivable	0.06	10.85
c)	**Enterprise over which Key Management Personnel exercise significant influence**			
	i)	**Chemiasoft Private Limited**		
		Trade payables	0.11	-
	ii)	**Kapston Facilities Management limited**		
		Trade payable	0.19	0.17
	iii)	**Sterotherapeutics, LLC**		
		Trade receivable	0.04	-
	iii)	**NSN Investments**		
		Security deposit	0.92	0.92
d)	**Key Management Personnel**			
	i)	**Dr. Satyanarayana Chava**		
		Remuneration payable	-	0.41
	ii)	**Mr. V.V. Ravi Kumar**		
		Remuneration payable	-	0.14
		Rent payable	0.01	0.01

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for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

			March 31, 2024	March 31, 2023
	iii)	**Dr. C.V. Lakshmana Rao**		
		Remuneration payable	-	0.09
	iv)	**Mr. Rajesh Chandy**		
		Remuneration payable	0.11	-
	v)	**Mr. G.Venkateswar Reddy**		
		Remuneration payable	0.12	0.11
e)	**Relatives of Key Management Personnel**			
	i)	**Mr. Narasimha Rao Chava**		
		Remuneration payable	0.26	0.22
	ii)	**Mr. Krishna Chaitanya Chava**		
		Remuneration payable	0.32	0.25
	iii)	**Mrs. Soumya Chava**		
		Remuneration payable	0.15	-
		Rent Payable	0.02	0.02

* Net of loan given ₹154.00 Maximum balance outstanding during the year ₹204.50; (March 31, 2023: ₹106.42) loan given for business purposes at the rate of interest 8.50% (March 31,2023: 8.00%)

**Maximum balance outstanding during the year ₹29.00; (March 31, 2023: ₹20.00) loan given for business purposes at the rate of interest 8.50% (March 31,2023: 8.00%)

The Company has provided guarantees for ₹595.91 in the form of Corporate guarantees to CITI, SBI and DBS Bank for the loans obtained by Laurus Synthesis Private Limited, Laurus Bio Private Limited & Laurus Generics Inc, USA. (March 31, 2023: ₹440.33 in the form of Corporate guarantees to CITI, SBI and DBS Bank for the loans obtained by Laurus Synthesis Private Limited, Laurus Bio Private Limited & Laurus Generics Inc, USA).

As the future liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the Key Management personnel and their relatives is not ascertainable and, therefore, not included above.

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. Outstanding balances at the year-end are unsecured.

34. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed in notes to financial statements.

(i) Taxes

During the year ended March 31, 2023, the Company elected to exercise the option permitted under Section 115BAA of the Income-Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the year ended March 31, 2023 and remeasured its deferred tax assets/liabilities based on the rate prescribed in the said Section.

Notes to Financial Statements
for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

(ii) Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimation requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The Black Scholes valuation model has been used by the Management for share-based payment transactions. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 29.

(iii) Defined employee benefit plans (Gratuity)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. 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.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Further details about gratuity obligations are given in Note 28.

(iv) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow ('DCF') model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 37 and 38 for further disclosures.

(v) Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives and residual values of all its property, plant and equipment estimated by the management. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment, though these rates in certain cases are different from lives prescribed under Schedule II of the Companies Act, 2013.

(vi) Impairment of investments

The Company reviews its carrying value of investments 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.

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

(vii) Recognition and measurement of other provisions:

The recognition and measurement of other provisions is based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the closing date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

(viii) Impairment of non-financial assets - Refer Note (2(l))

(ix) Inventories - Refer Note (2(k))

(x) Leases: whether an arrangement contains a lease; lease classification- Refer Note (2(i))

(xi) Contingent liabilities: Measurement and likelihood of occurrence of provisions and contingencies.- Refer Note (39 (c))

(xii) Revenue and receivables - Refer Note (2 (d) and 2(p))

35. Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

Particulars	Carrying value		Fair value	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Financial assets at fair value through profit & loss:				
Investments	3.41	3.41	3.41	3.41
Derivative contracts	0.22	0.98	0.22	0.98
Financial assets at cost:				
Investments	631.46	380.71	631.46	380.71
Financial assets at amortised cost:				
Loans	233.10	71.09	233.10	71.09
Other financial assets	52.72	63.09	52.72	63.09
Trade receivables	1,640.50	1,487.42	1,640.50	1,487.42
Cash and cash equivalents	42.63	1.42	42.63	1.42
Other balances with banks	0.29	0.28	0.29	0.28
Financial liabilities at amortised cost:				
Borrowings (Non-current and current)	2,049.06	1,681.38	2,049.06	1,681.38
Interest accrued	7.84	7.22	7.84	7.22
Trade payables	996.78	666.36	996.78	666.36
Capital creditors and others	31.49	136.82	31.49	136.82
Lease liabilities	60.76	32.88	60.76	32.88

The management assessed that cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Further, the management has assessed that fair value of borrowings approximate their carrying amounts largely since they are carried at floating rate of interest.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

36. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2024:

Particulars	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets at fair value through profit and loss:					
Investments	March 31, 2024	3.41	-	-	3.41
Financial assets at fair value through profit and loss:					
Derivative financial instruments	March 31, 2024	0.22	-	0.22	-

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2023:

Particulars	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets at fair value through profit and loss:					
Investments	March 31, 2023	3.41	-	-	3.41
Financial assets at fair value through profit and loss:					
Derivative financial instruments	March 31, 2023	0.98	-	0.98	-

Measurement of fair value

Valuation techniques

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for assets and liabilities carried at fair value through profit or loss.

Type	Valuation technique
Assets measured at fair value:	
Investments	Discounted cash flow method
Derivative financial instruments	The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curve in reporting currency.

37. Financial risk management objectives and policies

Financial risk management framework

The Company is exposed primarily to credit risk, liquidity risk and market risk (fluctuations in foreign currency exchange rates and interest rate), which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

A Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk, except for trade receivables.

Notes to Financial Statements
for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

Trade receivables:

The customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on the individual credit limits are defined in accordance with this assessment and outstanding customer receivables are regularly monitored. Of the trade receivables balance, ₹538.10 in aggregate (as at March 31, 2023 ₹487.71) is due from the Company's customers individually representing more than 5 % of the total trade receivables balance and accounted for approximately 33% (March 31, 2023: 32%) of all the receivables outstanding. The Company' receivables turnover is quick and historically, there was no significant defaults on account of those customer in the past. Ind AS requires an entity to recognise in profit or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with Ind AS 109. The Company assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 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. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

Before accepting any new customer, the Company uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed on periodic basis. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk includes the carrying amount of balances with trade receivables and other financial assets.

Loans are given to subsidiaries for the purpose of working capital and other business requirements.

Other than trade receivables and loans, the Company has no significant class of financial assets that is past due but not impaired.

B Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	Up to 1 Year	1 to 3 years	3 to 5 years	> 5 years	Total
March 31, 2024:					
Non-current borrowings (including current maturities)	248.34	462.60	27.93	-	738.87
Current borrowings	1,310.19	-	-	-	1,310.19
Interest accrued	7.84	-	-	-	7.84
Trade payables	996.78	-	-	-	996.78
Other payables	31.49	-	-	-	31.49
	2,594.64	**462.60**	**27.93**	**-**	**3,085.17**
March 31, 2023:					
Non-current borrowings (including current maturities)	180.94	518.03	47.46	-	746.43
Current borrowings	934.95	-	-	-	934.95
Interest accrued	7.22	-	-	-	7.22
Trade payables	666.36	-	-	-	666.36
Other payables	136.82	-	-	-	136.82
	1,926.29	**518.03**	**47.46**	**-**	**2,491.79**

Excludes lease liabilities. Refer note no. 39A for contractual cash flows relating leases

Notes to Financial Statements
for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

C Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. In order to optimise the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on borrowings, as follows:

Particulars	Change in basis points		Effect on profit before tax	
	Increase	Decrease	Decrease	Increase
March 31, 2024				
Indian Rupees	0.50%	0.50%	(7.56)	7.56
US Dollars	0.50%	0.50%	(1.88)	1.88
March 31, 2023				
Indian Rupees	0.50%	0.50%	(6.16)	6.16
US Dollars	0.50%	0.50%	(3.36)	3.36

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

Foreign currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar against the functional currencies of the Company. The Company, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies. The information on derivative instruments is as follows:

a) **Forward contract (Derivatives):**

Forward contract outstanding as at Balance Sheet date:

March 31, 2024 Sell US $ 10,000,000	Designated as fair value hedge - receivables
March 31, 2024 Sell ZAR 2,74,87,587.24	Designated as fair value hedge - receivables
March 31, 2023 Sell US $ 45,000,000	Designated as fair value hedge - receivables

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b) Details of Unhedged Foreign Currency Exposure:

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under:

Particulars	Currency	March 31, 2024			March 31, 2023		
		Amount in foreign currency	Amount in ₹	Conversion rate	Amount in foreign currency	Amount in ₹	Conversion rate
Secured loans	USD	32,207,468	268.53	83.37	44,274,390	364.01	82.22
Unsecured loans	USD	6,344,535	52.90	83.37	7,322,340	60.20	82.22
Interest accrued but not due on borrowings	USD	261,090	2.18	83.37	300,126	2.47	82.22
Trade payables	USD	25,919,496	216.10	83.37	16,406,319	134.89	82.22
	EURO	719,101	6.49	90.22	230,088	2.06	89.61
	GBP	28,917	0.30	105.29	31,660	0.32	101.87
	CHF	-	-	92.09	3,507	0.03	89.70
Capital creditors	USD	306	0.00	83.37	91,608	0.75	82.22
	GBP	-	-	105.29	13,887	0.14	101.87
	EURO	44,808	0.40	90.22	5,391	0.05	89.61
Trade receivables	USD	81,638,735	680.65	83.37	57,520,270	472.91	82.22
	EURO	7,556,379	68.17	90.22	7,023,201	62.93	89.61
	GBP	67,207	0.71	105.29	65,957	0.67	101.87
	CAD	618,149	3.79	61.33	2,530,203	15.35	60.65
	JPY	-	-	0.55	250,000	0.02	0.62
Cash and cash equivalents*	USD	5,077,586	42.33	83.37	64	0.00	82.22

*Amount less than Indian Rupees 100,000.

c) Foreign currency sensitivity:

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Change in forex rate		Effect on profit before tax	
	Increase	Decrease	Increase/ (Decrease)	
March 31, 2024				
USD	1.00%	1.00%	1.83	(1.83)
EURO	1.00%	1.00%	0.61	(0.61)
March 31, 2023				
USD	1.00%	1.00%	(0.89)	0.89
EURO	1.00%	1.00%	0.61	(0.61)

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38. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company intends to keep the gearing ratio between 0.4 to 1.5. The Company includes within net debt, borrowings including interest accrued on borrowings less cash and short-term deposits.

Particulars	March 31, 2024	March 31, 2023
Borrowings including interest accrued on borrowings (Note 13)	2,056.90	1,688.60
Less: Cash and cash equivalents; other balances with banks (Note 10A & 10B)	(42.92)	(1.70)
Net debt	**2,013.98**	**1,686.90**
Equity	107.79	107.73
Other equity	4,099.26	3,949.09
Total equity	**4,207.05**	**4,056.82**
Gearing ratio (Net debt/ Total equity)	0.48	0.42

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2024.

39. Commitments and Contingencies

A. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Operating lease commitments - Company as lessee

The Company's lease asset classes primarily consist of leases for land. The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. 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 asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

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Following are the changes in the carrying value of right of use assets for the year ended March 31, 2024 and March 31, 2023

Particulars	March 31, 2024	March 31, 2023
Opening Balance	90.54	93.19
Additions	32.15	2.56
Depreciation	(6.70)	(5.21)
Closing Balance	**115.99**	**90.54**

The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the statement of profit and loss

The following is the movement in lease liabilities during the year ended March 31, 2024 and March 31,2023

Particulars	March 31, 2024	March 31, 2023
Opening Balance	32.88	33.44
Additions	32.15	2.56
Finance cost accrued during the year	3.14	2.67
Payment of lease liabilities	(7.41)	(5.79)
Closing Balance	**60.76**	**32.88**

The following is the break-up of current and non-current lease liabilities as at March 31, 2024 and March 31, 2023

Particulars	March 31, 2024	March 31, 2023
Non-current lease liabilities	53.10	28.06
Current lease liabilities	7.66	4.82
Total	**60.76**	**32.88**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2024 and March 31,2023 on discounted basis

Particulars	March 31, 2024	March 31, 2023
Within one year	7.66	4.82
After one year but not more than five years	38.30	24.10
More than five years	14.80	3.96
Total	**60.76**	**32.88**

B. Commitments

Particulars	March 31, 2024	March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for	157.85	160.96

C. Contingent liabilities

Particulars		March 31, 2024	March 31, 2023
(i)	Outstanding bank guarantees (excluding performance obligations)	51.27	63.00
(ii)	Claims arising from disputes not acknowledged as debts - direct taxes	15.39	5.89
(iii)	Claims arising from disputes not acknowledged as debts - indirect taxes	59.55	56.53
(iv)	On account of provident fund liability	7.57	7.57
(v)	Corporate guarantees	595.91	440.33

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

40. Ratios

The following are analytical ratios for the year ended March 31, 2024 and March 31, 2023

Particulars	Numerator	Denominator	March 31, 2024	March 31, 2023	Variance	Reasons for varaince
Current Ratio	Current Assets	Current Liabilities	1.29	1.51	(15%)	
Debt-Equity Ratio	Total Debt[(1)]	Shareholder's Equity	0.49	0.42	17%	
Debt Service Coverage Ratio	Earnings available for debt service[(2)]	Debt service[(3)]	2.61	4.47	(42%)	The variance is due to decrese in profits
Return on Equity (ROE)	Net profit after taxes	Average Shareholder's Equity	5.4%	20.4%	(73%)	The variance is due to decrease in profits
Inventory Turnover Ratio	Revenue from Operations	Average Inventory	2.95	3.54	(17%)	
Trade Receivables Turnover Ratio	Revenue from Operations	Average Receivables	3.08	4.19	(27%)	The variance is on account of decrease in revenue increase in average receivables
Trade Payables Turnover Ratio	Purchases	Average Trade Payables	2.96	3.36	(12%)	
Net Capital Turnover Ratio	Revenue from Operations	Working Capital[(4)]	6.16	5.42	14%	
Net Profit Ratio	Net Profit	Revenue from Operations	4.6%	13.2%	(65%)	The variance is on account of decrease in Profit after tax which is primarily on account of decrease in revenue
Return on Capital Employed (ROCE)	Earnings Before Interest and Taxes (EBIT)	Capital Employed[(5)]	7.2%	22.2%	(67%)	The variance is on account of decrease in Profits and increase in total debt which primarily comprises of working capital loans.
Return on Investment[(6)]	Income generated from investments	Investment	N.A.	N.A.	-	

(1) Long Term borrowings + Short Term borrowings + interest accrued

(2) Net profit after tax + Depreciation and amortisation + Term loan Interest

(3) Term loan Interest + Principal repayments

(4) Current assets - current liabilities

(5) Networth + net total debt including interest accrued - cash and cash equivalents

(6) The Company is not having any market linked investments.

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

41. Other statutory information

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

ii) The Company does not have any transactions with companies struck off.

iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

v) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

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

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

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

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

viii) The Company doesn't have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

42. The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

For and on behalf of the Board of Directors
LAURUS LABS LIMITED

Dr. Satyanarayana Chava
Executive Director & Chief Executive Officer
DIN: 00211921

V.V. Ravi Kumar
Executive Director & Chief Financial Officer
DIN: 01424180

Place: Hyderabad
Date: April 25, 2024

G.Venkateswar Reddy
Company Secretary

Independent Auditors' Report

To The Members of
Laurus Labs Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Laurus Labs Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes Group's share of loss in its associates which comprise the Consolidated Balance Sheet as at March 31, 2024, 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 the subsidiaries and associate 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, 2024, 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 ("SAs") specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the 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 judgement, 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 17 of consolidated financial statements** The Parent recognises revenue from sale of products based on the terms and conditions of transactions which varies with different customers. For sale transactions in a certain period of time around the Balance Sheet date, it is essential to ensure that the control of the goods have been transferred to the customers. As revenue recognition is subject to management's judgement on whether the control of the goods have been transferred, we consider cut-off of revenue as a key audit matter.	**Principal audit procedure performed included the following:** We obtained an understanding of the revenue recognition process and tested the Parent's controls around the timely and accurate recording of sales transactions. We have obtained an understanding of a sample of customer contracts. We tested the access and change management controls of the relevant information technology system in which shipments are recorded. Our test of revenue samples focused on sales recorded immediately before the year-end, obtaining evidence to support the appropriate timing of revenue recognition, based on terms and conditions set out in sales contracts and delivery documents.

Information Other than the Financial Statements and Auditors' Report Thereon

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

Analysis, Board's report including annexures to Board's report, Report on Corporate Governance and Business Responsibility And Sustainability Report is expected to be made available to us after the date of this auditor's report.

- Our opinion on the consolidated financial statements does not cover the other information and will not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available, compare with the financial statements of the subsidiaries and associate 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 and associate, is traced from their financial statements audited by the other auditors.
- When we read the Management Discussion and Analysis, Board's report including annexures to Board's report, Report on Corporate Governance 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 Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associates 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 and of its associates and are also responsible for overseeing the financial reporting process of the Group and of its associates.

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 judgement 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 and its associates 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 and its associates 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 and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other 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 five subsidiaries, whose financial statements reflect total assets of ₹238.74 crores as at March 31, 2024, total revenues of ₹202.39 crores and net cash outflows amounting to ₹16.27 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 subsection (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) The consolidated financial statements also include the Group's share of net loss after tax of ₹0.65 crores for the year ended March 31, 2024, as considered in the consolidated financial statements, in respect of one associate whose financial statements have not been audited by us. These financial statements are 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 associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are 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 the subsidiaries, associate referred to in the Other Matters section above we report, to the extent applicable that:

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

    b) In our opinion, proper books of account as required by law maintained by the Group, its associates including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books of account.

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, 2024 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies, its associate companies incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements 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, Subsidiary companies and associate 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.

g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of subsidiary companies, the remuneration paid by the Parent and such subsidiary companies to their respective directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditors' 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 39 (C) 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 its subsidiary companies incorporated in India.

iv) (a) The respective Managements of the Parent, its subsidiaries and associates incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries, associates that, to the best of their knowledge and belief as disclosed in the note 40 (vi) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries and associates with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries and associates or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Parent, its subsidiaries and associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, as disclosed in the note 40 (vii) to the consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries and associates from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent of such subsidiaries and associates shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

v) (a) The first interim dividend declared and paid by the Parent during the year and until the date of this report is in accordance with section 123 of the Act, as applicable.

(b) The second interim dividend declared by the Parent during the year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to declaration of dividend. However, the said dividend was not due for payment on the date of this audit report.

(c) The interim dividend paid by the Parent during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

vi) Based on our examination which included test checks performed by us on the Parent, its subsidiaries and associate Company incorporated in India and based on the other auditor's report of its subsidiary company incorporated in India whose financial statements have been audited under the Act, except for the instance mentioned below, the Parent Company, its subsidiary companies and the associate Company incorporated in India have used accounting software for maintaining their respective books of account for the financial year ended March 31, 2024 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(s). Further, during the course of audit, we and respective other auditor, whose report have been furnished to us by the Management of the Parent Company, have not come across any instance of the audit trail feature being tampered with.

The financial statements of one associate company that is not material to the Consolidated Financial Statements of the Group, have not been audited under the provisions of the Act as of the date of this report. Therefore, we are unable to comment on the reporting requirement under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 in respect of this associate.

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

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditors' 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 Company, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said respective companies included in the consolidated financial statements except for the following:

Name of the Company	CIN	Nature of relationship	Clause Number of CARO report with qualification or adverse remark
Laurus Synthesis Private Limited	U24110TG2020PTC140333	Wholly Owned Subsidiary	Clause (xvii)
Sriam Labs Private Limited	U24239TG2002PTC038490	Wholly Owned Subsidiary	Clause i(c)
Laurus Bio Private Limited	U02423KA2005PTC036770	Subsidiary	Clause i(c)
Immunoadoptive Cell Therapy Private Limited	U74999MH2018PTC315497	Associate	Clause (xvii)

Further, in respect of the following company included in the consolidated financial statements, whose audit under section 143 of the Act has not yet been completed, the CARO report as applicable in respect of those companies are not available and consequently have not been provided to us as on the date of this audit report:

Name of the Company	CIN	Nature of relationship
Ethan Energy India Private Limited	U40100TG2018FTC125395	Associate

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

C Manish Muralidhar
Partner
(Membership No. 213649)
(UDIN: 24213649BKCJEO5273)

Place: Hyderabad
Date: April 25, 2024

Annexure "A" to the Independent Auditors' Report

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

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of Laurus Labs Limited (hereinafter referred to as "Parent") and its subsidiary Companies, which includes internal financial controls with reference to consolidated financial statements of its subsidiaries which are Companies incorporated in India and its associate Company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

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

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

Meaning of Internal Financial Controls with reference to consolidated financial statements

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

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, Parent, its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to a subsidiary company, which is company incorporated in India, is based solely on the corresponding report of the auditor of such Company incorporated in India.

The Parent has consolidated financial information of an associate company incorporated in India on the basis of unaudited financial statements prepared by the management. In our opinion and according to the information and explanations given to us by Management, such associate is not material to the Group.

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)

C Manish Muralidhar
Partner
(Membership No. 213649)

Place: Hyderabad
Date: April 25, 2024

Consolidated Balance Sheet

as at March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

Particulars	Note	March 31, 2024	March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	3,446.37	3,015.96
Right-of-use assets	39A	178.32	133.43
Capital work-in-progress	3	422.84	550.78
Goodwill	4	246.30	246.30
Other intangible assets	4	19.02	12.93
Financial assets			
Investments	5A	123.98	49.90
Other financial assets	5C	47.38	49.41
Income tax assets (net)	16A	2.97	20.44
Other non-current assets	7A	64.88	119.57
Total non-current assets		**4,552.06**	**4,198.72**
Current assets			
Inventories	8	1,845.41	1,684.81
Financial assets			
Trade receivables	9	1,662.92	1,580.44
Cash and cash equivalents	10A	138.94	45.67
Other balances with banks	10B	2.71	2.79
Loans	5B	0.95	0.97
Other financial assets	5C	8.82	16.31
Other current assets	7B	175.22	130.69
Total current assets		**3,834.97**	**3,461.68**
Total assets		**8,387.03**	**7,660.40**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	107.79	107.73
Other equity		4,003.16	3,929.80
Total equity attributable to equity holders of parent company		**4,110.95**	**4,037.53**
Non-controlling interests		4.62	11.13
Total equity		**4,115.57**	**4,048.66**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	13A	798.23	761.42
Lease liabilities	39A	62.16	37.44
Other financial liabilities	13E	42.33	91.20
Provisions	15A	93.47	81.47
Deferred tax liability (net)	6	57.04	82.45
Other non-current liabilities	14A	105.95	125.50
Total non-current liabilities		**1,159.18**	**1,179.48**
Current liabilities			
Financial liabilities			
Borrowings	13B	1,708.82	1,210.55
Trade payables			
-total outstanding dues of micro enterprises and small enterprises	13C	29.60	38.34
-total outstanding dues of creditors other than micro enterprises and small enterprises	13C	1,021.64	672.31
Lease liabilities	39A	8.19	5.68
Other financial liabilities	13D	138.76	192.33
Other current liabilities	14B	144.25	227.96
Provisions	15B	24.81	20.09
Income tax liabilities (net)	16B	36.21	65.00
Total current liabilities		**3,112.28**	**2,432.26**
Total - equity and liabilities		**8,387.03**	**7,660.40**
Summary of material accounting policies	2.2		

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

As per our report of even date

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
ICAI Firm Registration Number: 117366W/W-100018

C Manish Muralidhar
Partner
Membership No. 213649

Place: Hyderabad
Date: April 25, 2024

For and on behalf of the Board of Directors
LAURUS LABS LIMITED

Dr. Satyanarayana Chava
Executive Director & Chief Executive Officer
DIN: 00211921

V.V. Ravi Kumar
Executive Director & Chief Financial Officer
DIN: 01424180

Place: Hyderabad
Date: April 25, 2024

G.Venkateswar Reddy
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

(All amounts in crorer rupees except for share data or as otherwise stated)

	Particulars	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
I.	INCOME			
	Revenue from operations	17	5,040.83	6,040.55
	Other income	18	20.73	1.44
	Total income (I)		**5,061.56**	**6,041.99**
II.	EXPENSES			
	Cost of materials consumed	19	2,422.38	2,596.57
	Purchase of traded goods		110.92	155.71
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	(100.88)	22.04
	Employee benefits expense	21	639.93	580.64
	Other expenses	22	1,190.98	1,093.40
	Total expenses (II)		**4,263.33**	**4,448.36**
III.	Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) (I-II)		**798.23**	**1,593.63**
	Depreciation and amortisation	3,4 & 39A	384.58	324.08
	Finance income	23A	(5.61)	(4.56)
	Finance costs	23B	182.90	165.17
IV.	Profit before tax		**236.36**	**1,108.94**
V.	Tax expense	27		
	Current tax		93.11	289.83
	Deferred tax		(24.96)	22.47
	Total tax expense		**68.15**	**312.30**
VI.	Profit for the year before share of loss from associates (IV-V)		**168.21**	**796.64**
VII.	Share of loss from associates, net of tax		(5.94)	(3.21)
VIII.	Profit for the year after share of loss from associates (VI-VII)		**162.27**	**793.43**
	Other comprehensive income (OCI)	24		
	Items that will not be reclassified subsequently to profit or loss:			
	Remeasurement gains/(losses) on defined benefit plans		(1.20)	0.75
	Tax on remeasurement of defined benefit plans		0.31	(0.17)
			(0.89)	**(0.58)**
	Items that will be reclassified subsequently to profit or loss:			
	Exchange differences on translating the financial statements of foreign operations		(1.98)	(6.21)
			(1.98)	**(6.21)**
	Total other comprehensive income/(loss) for the year, net of tax		**(2.87)**	**(5.63)**
	Total comprehensive income for the year, net of tax		**159.40**	**787.80**
	Profit for the year attributable to:			
	Equity holders of the parent company		160.55	790.11
	Non-controlling interests		1.72	3.32
	Total comprehensive income for the year attributable to:			
	Equity holders of the parent company		157.68	784.53
	Non-controlling interests		1.72	3.27
	Earnings per equity share ₹2/- each fully paid (March 31, 2023: ₹2/- each fully paid)	25		
	Computed on the basis of total profit for the year			
	Basic (₹)		2.98	14.69
	Diluted (₹)		2.97	14.64
	Summary of material accounting policies	2.2		

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

As per our report of even date

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
ICAI Firm Registration Number: 117366W/W-100018

C Manish Muralidhar
Partner
Membership No. 213649

Place: Hyderabad
Date: April 25, 2024

For and on behalf of the Board of Directors
LAURUS LABS LIMITED

Dr. Satyanarayana Chava
Executive Director & Chief Executive Officer
DIN: 00211921

V.V. Ravi Kumar
Executive Director & Chief Financial Officer
DIN: 01424180

Place: Hyderabad
Date: April 25, 2024

G.Venkateswar Reddy
Company Secretary

Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

a) Equity share capital

Equity shares of ₹2/- each, fully paid up	No.	₹
At April 01, 2022	**537,359,335**	**107.47**
Issued during the year - ESOP	1,291,590	0.26
At March 31, 2023	**538,650,925**	**107.73**
Issued during the year - ESOP	314,933	0.06
At March 31, 2024	**538,965,858**	**107.79**

b) Other equity

Particulars	Reserves and surplus				Other comprehensive income			Non-controlling Interests	Total
	Capital reserve	Securities Premium	Employee Stock option reserve	Retained Earnings	Gross obligation liability to acquire noncontrolling interest	Re-measurement gains or losses on employee defined benefit plans	Foreign currency translation reserve		
At April 01, 2022	**1.79**	**701.32**	**9.17**	**2,624.95**	**(83.20)**	**(8.71)**	**(1.60)**	**7.86**	**3,251.58**
Profit for the year	-	-	-	784.53	-	-	-	3.27	787.80
Expense arising from equity-settled share-based payment transactions	-	-	7.48	-	-	-	-	-	7.48
Transferred from stock options outstanding	-	11.74	(4.57)	-	-	-	-	-	7.17
Dividend on equity shares	-	-	-	(107.47)	-	-	-	-	(107.47)
Foreign currency translation reserve	-	-	-	-	-	-	(6.21)	-	(6.21)
Remeasurement on net defined benefit liability, net of tax	-	-	-	-	-	0.58	-	-	0.58
At March 31, 2023	**1.79**	**713.06**	**12.08**	**3,302.01**	**(83.20)**	**(8.13)**	**(7.81)**	**11.13**	**3,940.93**
Profit for the year	-	-	-	157.68	-	-	-	1.72	159.40
Expense arising from equity-settled share-based payment transactions	-	-	10.92	-	-	-	-	-	10.92
Transferred from stock options outstanding	-	4.02	(1.53)	-	-	-	-	-	2.49
Dividend on equity shares	-	-	-	(86.18)	-	-	-	-	(86.18)
Acquisition of Non-controlling interest		-	-		-	-	-	(8.23)	(8.23)
Gross obligation liability to acquire Non-controlling interest (refer note no. 13E)	-	-	-	(58.56)	49.88	-	-	-	(8.68)
Foreign currency translation reserve	-	-	-	-	-	-	(1.98)	-	(1.98)
Remeasurement on net defined benefit liability, net of tax	-	-	-	-	-	(0.89)	-	-	(0.89)
At March 31, 2024	**1.79**	**717.08**	**21.47**	**3,314.95**	**(33.32)**	**(9.02)**	**(9.79)**	**4.62**	**4,007.78**

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

As per our report of even date

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
ICAI Firm Registration Number: 117366W/W-100018

C Manish Muralidhar
Partner
Membership No. 213649

Place: Hyderabad
Date: April 25, 2024

For and on behalf of the Board of Directors
LAURUS LABS LIMITED

Dr. Satyanarayana Chava
Executive Director & Chief Executive Officer
DIN: 00211921

V.V. Ravi Kumar
Executive Director & Chief Financial Officer
DIN: 01424180

Place: Hyderabad
Date: April 25, 2024

G.Venkateswar Reddy
Company Secretary

Consolidated Statement of Cash Flows

for the year ended March 31, 2024

(All amounts in crorer rupees except for share data or as otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before tax	236.36	1,108.94
Cash flows from operating activities		
Adjustments for:		
Depreciation and amortisation	384.58	324.08
Loss on sale of Property, plant and equipment (net)	1.93	0.21
Interest income	(5.61)	(4.56)
Interest expenses	175.00	145.47
Share based payment expense	10.92	7.48
Net (gain) / loss on foreign exchange fluctuations (unrealised)	(8.82)	12.42
Allowance for bad and doubtful advances and receivables	4.93	1.65
Provisions no longer required written back	(0.01)	(1.04)
Operating profit before working capital changes	**799.28**	**1,594.65**
Movement In working capital:		
(Increase)/Decrease in inventories	(151.31)	81.83
Increase in trade receivables	(85.10)	(227.86)
(Increase)/Decrease in financial and non-financial assets	(38.50)	9.94
Increase/(Decrease) in trade payables	334.41	(168.87)
Decrease in financial, non-financial liabilities and provisions	(88.52)	(10.30)
Cash generated from operations	**770.26**	**1,279.39**
Income tax paid	(104.57)	(285.49)
Net cash flows from operating activities (A)	**665.69**	**993.90**
Cash flows used in investing activities		
Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances	(678.31)	(990.16)
Proceeds from sale of property, plant and equipment	2.30	2.67
Movement in other bank balances	(0.40)	9.17
Investment in associates	(80.02)	(22.30)
Acquisition of Non-controlling interest	(71.60)	-
Interest received	5.61	4.56
Net cash flows used in investing activities (B)	**(822.42)**	**(996.06)**
Net cash flows (used in)/ from financing activities		
Proceeds from exercise of employee stock options	2.56	7.44
Repayment of long - term borrowings	(216.69)	(246.83)
Proceeds from long - term borrowings	363.86	383.50
Proceeds from short - term borrowings (net)	393.88	84.95
Payment of lease liabilities	(33.29)	(7.83)
Dividend paid	(86.18)	(107.47)
Interest paid	(174.31)	(140.40)
Net cash flows from / (used in) financing activities (C)	**249.83**	**(26.64)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	93.10	(28.80)
Effect of exchange differences on cash and cash equivalents	0.17	(0.88)
Cash and cash equivalents at the beginning of the year	45.67	75.35
Cash and cash equivalents at the year end	**138.94**	**45.67**
Components of cash and cash equivalents:		
Cash on hand	0.10	0.09
Balances with banks		
On current accounts	121.71	19.25
On deposit accounts	17.13	26.33
Total cash and cash equivalents	**138.94**	**45.67**

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

As per our report of even date

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
ICAI Firm Registration Number: 117366W/W-100018

C Manish Muralidhar
Partner
Membership No. 213649

Place: Hyderabad
Date: April 25, 2024

For and on behalf of the Board of Directors
LAURUS LABS LIMITED

Dr. Satyanarayana Chava
Executive Director & Chief Executive Officer
DIN: 00211921

Place: Hyderabad
Date: April 25, 2024

V.V. Ravi Kumar
Executive Director & Chief Financial Officer
DIN: 01424180

G.Venkateswar Reddy
Company Secretary

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

1. Corporate information

The consolidated financial statements comprise financial statements of Laurus Labs Limited (the 'Company') and its subsidiaries (collectively, the 'Group') for the year ended March 31, 2024. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company's shares are listed on BSE Limited and National Stock Exchange of India Limited in India. The registered office of the company is located at Laurus Enclave, Plot Office 01, E. Bonangi Village, Parawada Mandal, Anakapalli District, Andhra Pradesh – 531021.

The Group is principally engaged in offering a broad and integrated portfolio of Active Pharmaceuticals Ingredients (API) including intermediates, Generic Finished dosage forms (FDF) and Contract Research services to cater to the needs of the global pharmaceutical industry and to develop novel enzyme solutions for Industrial Biotechnology and Animal Origin Free recombinant proteins and enzymes for biopharma. Information on the Group's structure is provided in Note 37. Information on other related party relationships of the Group is provided in Note 32.

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on April 25, 2024.

2. Material accounting policies

2.1 Basis of preparation

(a) The financial statements of the Group have been prepared in accordance with Indian Accounting Standards ('Ind AS'), under the historical cost except for certain financial instruments which are measured at fair values at the end of each reporting period as explained in the accounting policies below, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after and presentation requirements of Division II of Schedule III to the Companies Act, 2013.

The consolidated financial statements have been prepared on a historical cost except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in accounting policies below.

The financial statements are presented in Indian Rupees and all values are rounded to the nearest crores, except otherwise indicated.

Basis of consolidation

The Consolidated financial statements comprise the financial statements of the Group as at March 31, 2024 and March 31, 2023.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crorer rupees except for share data or as otherwise stated)

The Group has following investments in subsidiaries and associate:

Name of Entity	Principal place of business and Country of Incorporation	Investee relationship		Proportion of ownership interest	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Sriam Labs Private Limited	India	Subsidiary	Subsidiary	100%	100%
Laurus Synthesis Private Limited (Refer note v)	India	Subsidiary	Subsidiary	100%	100%
Laurus Holdings Limited	UK	Subsidiary	Subsidiary	100%	100%
Laurus Generics Inc.	USA	Step-down subsidiary	Step-down subsidiary	100%	100%
Laurus Generics GmbH	Germany	Step-down subsidiary	Step-down subsidiary	100%	100%
Laurus Generics SA (Pty) Ltd.	South Africa	Subsidiary	Subsidiary	100%	100%
Laurus Bio Private Limited (Refer note iv)	India	Subsidiary	Subsidiary	91.14%	76.60%
Laurus Specialty Chemicals Private Limited (Refer note i)	India	Subsidiary	Subsidiary	100%	100%
Immuno Adopative Cell Therapy Private Limited (Refer note ii)	India	Associate	Associate	34.89%	27.57%
Ethan Energy India Private Limited (Refer note iii)	India	Associate	Associate	26.00%	26.00%

i) During the year ended March 31, 2023, the Company incorporated wholly owned subsidiary, Laurus Specialty Chemicals Private Limited (LSCPL) in India on December 01, 2022.

ii) During the year ended March 31, 2024, Pursuant to investment agreement entered into by the Company with Immunoadoptive Cell Therapy Private Limited (ImmunoAct), the Company made further capital contribution towards Series B Compulsorily convertible preference shares (CCPS) amounting to ₹80.02 crores in ImmunoAct in terms of the aforesaid agreement. Consequent to additional acquisition, the total shareholding in ImmunoAct has increased from 27.57% to 34.89% (As on March 31, 2023, the Company holds 27.57%)

iii) During the year ended March 31, 2023, the Company entered into an investment agreement with Ethan Energy India Private Limited ("Ethan Energy") to acquire 26% stake, for agreed consideration of ₹3.90 crores.

iv) During the year ended March 31, 2024, the Company acquired additional 14.54% stake in Laurus Bio Private Limited (LBPL) for a purchase consideration of ₹71.60 crores. Consequently, the total shareholding in LBPL has increased from 76.60% to 91.14%.

v) During the year ended March 31, 2024 , the Company infused further equity into Laurus Synthesis Private Limited by subscribing to rights issue offered for acquiring 7,600 equity shares of ₹10 each for a consideration of ₹99.13 crores.

(b) Consolidation procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.

b) Eliminate the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

d) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests.

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

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained

Notes to Financial Statements
for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 Summary of material accounting policies

(a) Business combinations and goodwill

In accordance with Ind-AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from April 01, 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment. Similarly, such first time adoption exemption is also adopted for associate.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognised in Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Investment in associates:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associate are incorporated in these Consolidated Financial Statements using the equity method of accounting, except when

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crorer rupees except for share data or as otherwise stated)

the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105 – Non-current Assets Held for Sale and Discontinued Operations.

(b) Current versus non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

(c) Foreign currencies

The Group's consolidated financial statements are presented in Indian rupees, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at its functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss except with the exception of exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity, such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Group Companies

On consolidation, the assets and liabilities of foreign operations are translated into functional currency at the rate of exchange prevailing at the reporting date and their Statements of Profit or Loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the date of transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in Statement of Profit and Loss.

(d) Fair value measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction

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

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

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

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

The Company's chief financial officer determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. Any change in the fair value of each asset and liability is also compared with relevant external sources to determine whether the change is reasonable.

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

(e) Revenue recognition

Revenue from contracts with customers is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. When a performance obligation is satisfied, the revenue is measured at the transaction price which is consideration received or receivable, net of returns and allowances, trade discounts and volume rebates after taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group derives revenues primarily from manufacture and sale of Active Pharma Ingredients (API) including intermediates, Generic Finished dosage forms (FDF) and Contract Research services (together called as "Pharmaceuticals").

The following is summary of significant accounting policies relating to revenue recognition. Further, refer note no. 17 for disaggregate revenues from contracts with customers.

Sale of products

The Group recognises revenue for supply of goods to customers against orders received. The majority of contracts that Group enters into relate to sales orders containing single performance obligations for the delivery of pharmaceutical products as per Ind AS 115. Product revenue is recognised when control of the goods is passed to the customer. The point at which control passes is determined based on the terms and conditions by each customer arrangement. Revenue is not recognised until it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Amount representing the profit share component is recognised as revenue only to the extent that it is highly probable that a significant reversal will not occur.

The Group also recognises revenue where goods are ready as per customer request and pending dispatch at the instance of the customer. In such cases, the products are separately identified as belonging to the customer and the Group does not hold the right to redirect the product to another customer. On satisfaction of all performance obligations, invoice is raised on the customer in accordance with customer request at regular payment terms.

Provisions for chargeback, rebates and discounts are estimated and provided for in the year of sales and recorded as reduction of revenue.

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Sale of services

Revenue from services rendered, which primarily relate to contract research, is recognised in the statement of profit and loss as the underlying services are performed. Upfront non-refundable payments received under these arrangements are deferred and recognised as revenue over the expected period over which the related services are expected to be performed.

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or the amount is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Interest income

For all debt financial instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Interest income is included in finance income in the Statement of Profit and Loss.

Dividends

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

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

Export incentives are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

(f) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries and associate, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits (MAT Credit) and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries and associate, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available

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to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period/ year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(g) Property, plant and equipment

Under the previous GAAP (Indian GAAP), property, plant and equipment and capital wok in progress were carried in the Balance Sheet at cost of acquisition. The Group has elected to regard those values of property, plant and equipment as deemed cost at the date of the acquisition since there is no change in the functional currency as at April 01, 2015 (date of transition to Ind AS) on the date of transition to Ind AS. The Group has also determined that cost of acquisition or construction at deemed cost as at April 01, 2015.

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

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

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance or extends its estimated useful life. Freehold land is not depreciated.

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

Factory buildings	:	30 years
Other buildings	:	60 years
Plant and equipment	:	5 to 20 years
Furniture and fixtures	:	10 years
Vehicles	:	4 to 5 years
Computers	:	3 to 6 years

The Group, based on technical assessment and management estimate, depreciates certain items of plant and equipment and vehicles over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively/retrospectively, as appropriate.

(h) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Computer Software

Costs relating to software, which is acquired, are capitalised and amortised on a straight-line basis over their estimated useful lives of five years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

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

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method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

(i) Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification ofa lease requires significant judgement. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term and useful life of the underlying asset. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

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

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(j) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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(k) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on weighted average basis.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials and packing material: Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.
- Traded goods and spare parts: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- Stores and spares are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(l) Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

Impairment losses, including impairment on inventories, are recognised in the Statement of Profit and Loss. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods/ years. Such reversal is recognised in the Statement of Profit and Loss.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

(m) 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 an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(n) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The

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Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund by a third party.

The cost of providing benefits under the defined benefit plan is determined based on projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other comprehensive income ("OCI") in the period in which they occur. Remeasurements are not reclassified to Statement of Profit and Loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

The Group treats accumulated leaves which are to be settled after 12 months as a long-term employee benefit and accumulated leaves which are to be settled in the next 12 months as a short-term employee benefit for measurement purposes. Such accumulated leaves are provided for based on an actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Group presents the entire liability in respect of leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date.

(o) Share-based payments

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments.

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using Black Scholes valuation model.

That cost is recognised, together with a corresponding increase in share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The Statement of Profit and Loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(p) Financial instruments

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

Financial assets:

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a siginficant financing component are measured at transaction price. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, a 'debt instrument' is measured at the amortised cost if both the following conditions are met:

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a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. This category generally applies to trade and other receivables.

For purposes of subsequent measurement, Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. FVTPL is a residual category for debt instruments.

In addition, the group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The group has not designated any debt instrument as at FVTPL due to recognition inconsistency.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Further, All equity investments in scope of Ind AS 109 are measured at fair value. For equity instruments which are not held for trading, the group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

a) the rights to receive cash flows from the asset have expired, or

b) the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

   i. the Group has transferred substantially all the risks and rewards of the asset, or

   ii. the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits and bank balances.

b) Trade receivables that result from transactions that are within the scope of Ind AS 115.

The Group follows 'simplified approach' for recognition of impairment loss. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime

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(All amounts in crorer rupees except for share data or as otherwise stated)

ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Group estimates the following provision matrix at the reporting date:

Receivables past due	% of allowance
> 1 year and < 2 years	25 %
> 2 years and < 3 years	50 %
> 3 years	100 %

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss ('FVTPL'), loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Group has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

This is the category most relevant to the group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Reclassification of financial assets

The group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is

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made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The group's senior management determines change in the business model as a result of external or internal changes which are significant to the group's operations. Such changes are evident to external parties. A change in the business model occurs when the group either begins or ceases to perform an activity that is significant to its operations. If the group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(q) Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

Changes in the fair value of derivative contracts that economically hedge monetary assets and liabilities in foreign currencies, and for which no hedge accounting is applied, are recognised in the statement of profit and loss. The changes in fair value of such derivative contracts, as well as the foreign exchange gains and losses relating to the monetary items, are recognised in the Statement of Profit and Loss.

(r) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

(s) Research and development

Revenue expenditure on research and development is charged to the Statement of Profit and Loss in the year in which it is incurred. The Group does not generate any intangible asset internally.

(t) Measurement of EBITDA

The Group presents EBITDA in the Statement of Profit and Loss, which is neither specifically required by Ind AS 1 nor defined under Ind AS. Ind AS complaint Schedule III allows companies to present line items, sub-line items and sub-totals shall be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the group's financial position or performance or to cater to industry/ sector-specific disclosure requirements or when required for compliance with the amendments to the Companies Act or under the Indian Accounting Standards.

Accordingly, the Group has elected to present EBITDA as a separate line item on the face of the Statement of Profit and Loss and does not include depreciation and amortisation expense, finance income, finance costs, share of profit/ loss from associate and tax expense in the measurement of EBITDA.

(u) New standards and interpretations not yet adopted

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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(All amounts in crorer rupees except for share data or as otherwise stated)

3. Property, plant and equipment

Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Computers	Vehicles	Total
Gross carrying value at cost							
As at April 01, 2022	**223.81**	**864.06**	**2,141.04**	**51.01**	**29.16**	**22.28**	**3,331.36**
Additions	0.35	311.67	697.83	36.94	13.58	12.36	1,072.73
Disposals	-	-	(26.86)	(0.26)	(0.01)	(3.60)	(30.73)
Adjustment							
- Exchange difference	-	-	-	0.01	-	-	0.01
As at March 31, 2023	**224.16**	**1,175.73**	**2,812.01**	**87.70**	**42.73**	**31.04**	**4,373.37**
Additions	3.61	190.81	570.86	15.66	11.80	9.94	802.68
Disposals	-	-	(8.17)	-	-	(4.69)	(12.86)
Adjustment							
- Exchange difference	-	-	-	-	-	-	-
As at March 31, 2024	**227.77**	**1,366.54**	**3,374.70**	**103.36**	**54.53**	**36.29**	**5,163.19**
Depreciation							
As at April 01, 2022	**-**	**167.92**	**853.44**	**26.04**	**17.94**	**8.73**	**1,074.07**
Charge for the year	-	43.26	249.45	5.70	5.60	7.24	311.25
Disposals	-	-	(24.91)	(0.04)	-	(2.90)	(27.85)
Adjustment							
- Exchange difference	-	-	-	(0.06)	-	-	(0.06)
As at March 31, 2023	**-**	**211.18**	**1,077.98**	**31.64**	**23.54**	**13.07**	**1,357.41**
Charge for the year	-	50.19	292.39	10.50	7.08	7.83	367.99
Disposals	-	(0.05)	(4.64)	-	-	(3.94)	(8.63)
Adjustment							
- Exchange difference	-	-	-	0.04	0.01	-	0.05
As at March 31, 2024	**-**	**261.32**	**1,365.73**	**42.18**	**30.63**	**16.96**	**1,716.82**
Net carrying value							
As at March 31, 2023	**224.16**	**964.55**	**1,734.03**	**56.06**	**19.19**	**17.97**	**3,015.96**
As at March 31, 2024	**227.77**	**1,105.22**	**2,008.97**	**61.18**	**23.90**	**19.33**	**3,446.37**

Notes:

(i) Pledge on Property, plant and equipment - Laurus Labs Limited:

Property, plant and equipment (other than vehicles) with a net carrying amount aggregating ₹3,427.04 (March 31, 2023: ₹2,997.99) are subject to a pari passu first charge on the Company's term loans. Further, the property, plant and equipment (other than vehicles) are subject to a pari passu second charge on the Company's current borrowings and SBI buyer's credit. Also, refer note 13A and 13B.

(ii) The Group has not revalued its property,plant and equipment.

(iii) Capital work-in-progress (CWIP) ageing schedule:

For the year ended March 31, 2024

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	377.11	40.10	3.20	2.43	422.84
Projects temporarily suspended	-	-	-	-	-

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(All amounts in crores rupees except for share data or as otherwise stated)

For the year ended March 31, 2023

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	535.48	12.88	2.42	-	550.78
Projects temporarily suspended	-	-	-	-	-

(vi) CWIP includes borrowing cost of ₹4.20 which is capitalised during the year (March 31, 2023: ₹1.62).

(v) For CWIP, whose completion is overdue or has exceeded its cost compared to its original plan the project wise details of when the project is expected to be completed it given below:

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-

Balance as on March 31, 2024

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
MB 9 - Unit IV	118.49	-	-	-	118.49
MB 6 - Unit VI	131.03	-	-	-	131.03
Balance as on March 31, 2023	**249.52**	**-**	**-**	**-**	**249.52**

4. Other intangible assets

Particulars	Goodwill on consolidation	Computer software	Total
Gross carrying value at cost			
As at April 01, 2022	**246.30**	**34.49**	**280.79**
Additions	-	7.23	7.23
As at March 31, 2023	**246.30**	**41.72**	**288.02**
Additions	-	11.00	11.00
As at March 31, 2024	**246.30**	**52.72**	**299.02**
Amortisation			
As at April 01, 2022	**-**	**23.66**	**23.66**
Charge for the year	-	5.13	5.13
As at March 31, 2023	**-**	**28.79**	**28.79**
Charge for the year	-	4.91	4.91
As at March 31, 2024	**-**	**33.70**	**33.70**
Net carrying value			
As at March 31, 2023	**246.30**	**12.93**	**259.23**
As at March 31, 2024	**246.30**	**19.02**	**265.32**

Impairment test of goodwill:

Goodwill is tested for impairment on annual basis and whenever there is an indication that the recoverable amount of cash generating unit is less than its carrying amount based on number of factors including business plan, operating results, future cash flows and economic conditions. The recoverable amount of cash generating units (CGU) is determined based on higher of value in use and fair value less cost to sell.

The Group generally uses discounted cash flow based methods to determine the recoverable amount. These discounted cash flows use five-year projections that are based on financial forecasts. Cash flow projections take into account past experience and management's best estimate about future developments.

Discount rate represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and the risks specific to the asset for which future cash flow estimates have not been adjusted. The discount rate calculation

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is derived weighted average cost of capital of specific company. Terminal value growth rates take into consideration of external macroeconomic sources of data and industry specific trends.

The following table presents the key assumptions used to determine value in use/fair value less cost to sell for impairment test purpose:

Particulars	March 31, 2024	March 31, 2023
Terminal value growth rate	6%	6%
Pre tax discount rate	14.10%	14.05%

Based on the above, no impairment was identified as at March 31, 2024 as the recoverable value exceeds the carrying value.

5. Financial assets

	March 31, 2024	March 31, 2023
A. Investments		
Equity instruments of associates (net of share of loss)	10.57	11.97
Compulsorily convertible preference shares of associate	110.00	34.52
Others	3.41	3.41
Total	**123.98**	**49.90**

(a) Unquoted equity investments	March 31, 2024	March 31, 2023
I. Investments in associates		
- 996 (March 31, 2023: 996) Equity shares of ₹10 each fully paid-up of Immunoadoptive Cell Therapy Private Limited (net of share of loss) (Note i)	7.68	8.43
- 740,000 (March 31, 2023: 740,00) Equity shares of ₹10 each fully paid-up of Ethan Energy India Private Limited (net of share of loss) (Note ii)	2.89	3.54
Total	**10.57**	**11.97**
II. Investments in others (valued at fair value through profit and loss)		
- 3,405,000 (March 31, 2023: 3,405,000) Equity shares of ₹10/- each of Atchutapuram Effluent Treatment Limited.	3.41	3.41
Total	**3.41**	**3.41**

(b) Unquoted Investment in Compulsorily convertible preference shares - carried at cost	March 31, 2024	March 31, 2023
- 3,983 compulsorily Convertible preference shares of ₹10 each fully paid Series A of Immunoadoptive Cell Therapy Private Limited (March 31, 2023: 3,983 of ₹10 each fully paid) (Note i)	29.98	34.52
- 2,028 compulsorily Convertible preference shares of ₹10 each fully paid Series B of Immunoadoptive Cell Therapy Private Limited (March 31, 2023: nil) (Note i)	80.02	-
Total	**110.00**	**34.52**

Notes:

i) During the year ended March 31, 2024, Pursuant to investment agreement entered into by the Company with Immunoadoptive Cell Therapy Private Limited (ImmunoAct), the Company made further capital contribution towards Series B Compulsorily convertible preference shares (CCPS) amounting to ₹80.02 crores in ImmunoAct in terms of the aforesaid agreement. Consequent to additional acquisition, the total shareholding in ImmunoAct has increased from 27.57% to 34.89% (As on March 31, 2023, the Company holds 27.57%)

ii) During the year ended March 31, 2023, the Company entered into an investment agreement with Ethan Energy India Private Limited ("Ethan Energy") to acquire 26% stake, for agreed consideration of ₹3.90 crores.

iii) The Group has complied with number of layers prescribed under clause 87 of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

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for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

B. Loans

Particulars	March 31, 2024	March 31, 2023
Current (unsecured, considered good unless stated otherwise)		
Other loans		
- Loans to employees	0.95	0.97
Total	**0.95**	**0.97**

C. Other financial assets

Particulars	March 31, 2024	March 31, 2023
Non-current (unsecured, considered good unless stated otherwise)		
Security deposits	34.86	32.80
Other balances with banks	0.01	0.10
Export and other incentives receivable (net)*	12.51	16.51
Total	**47.38**	**49.41**
Current (unsecured, considered good unless stated otherwise)		
Export and other incentives receivable (net)*	8.60	14.73
Insurance claim receivable	-	0.60
Derivative foreign currency forward contracts	0.22	0.98
Total	**8.82**	**16.31**

*Export and other incentives have been recognised on the following:

a) Incentive in the form of duty credit scrip upon sale of exports under Merchandise Exports from India Scheme under Foreign Trade Policy of India 2015-20.

b) Existing Foreign Trade Policy 2015-20, has been extended till September 30, 2022 vide notification no.64/2015-2020 dated 31.03.2022 & Public Notice No.53/2015-2020 dated 31.03.2022

c) Sales tax incentive and reimbursement of power cost under the Andhra Pradesh state incentives IIPP 2015-20 scheme. Incentives are eligible for five years from the date of commencement of production. There are no unfulfilled conditions or contingencies attached to these incentives.

6. Deferred tax assets/(liability) (net)

Particulars		March 31, 2024	March 31, 2023
Deferred tax liability relating to			
Accelerated depreciation for tax purposes		(142.99)	(129.59)
	(A)	**(142.99)**	**(129.59)**
Deferred tax asset relating to			
MAT credit entitlement		0.66	0.87
Expenses allowable on payment basis		60.33	25.33
Other items giving rise to temporary differences		24.96	20.94
	(B)	**85.95**	**47.14**
Deferred tax assets/(liability) (net)	(A+B)	**(57.04)**	**(82.45)**

Deferred tax assets/(liabilities):

For the year ended March 31, 2024:

Particulars	Opening balance	Recognised/ Utilised during the year	Recognised in other comprehensive income	Closing balance
Accelerated depreciation for tax purposes	(129.59)	(13.40)	-	(142.99)
MAT credit entitlement/(utilisation)	0.87	(0.21)	-	0.66
Expenses allowable on payment basis	25.33	35.00	-	60.33
Other items giving rise to temporary differences	20.94	3.71	0.31	24.96
	(82.45)	**25.10**	**0.31**	**(57.04)**

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(All amounts in crorer rupees except for share data or as otherwise stated)

For the year ended March 31, 2023:

Particulars	Opening balance	Recognised/ Utilised during the year	Recognised in other comprehensive income	Closing balance
Accelerated depreciation for tax purposes	(156.46)	26.87	-	(129.59)
MAT credit entitlement/(utilisation)	34.56	(33.69)	-	0.87
Expenses allowable on payment basis	30.52	(5.19)	-	25.33
Other items giving rise to temporary differences	22.27	(1.16)	(0.17)	20.94
	(69.11)	**(13.17)**	**(0.17)**	**(82.45)**

The Group has accounted for deferred tax liabilities (net) of ₹57.04 (March 31, 2023: ₹82.45) based on approval of business plan by the board, agreements entered with customers, orders on hand, fresh infusion of funds, successful patent filings and a portfolio of drugs.

There are no unrecognised deferred tax assets and liabilities as at March 31, 2024 and March 31, 2023.

7. Other assets

Particulars	March 31, 2024	March 31, 2023
A) Non-current (unsecured, considered good unless otherwise stated)		
Capital advances	42.33	103.99
Advances recoverable in cash or kind	-	0.04
Prepayments	19.21	12.23
Balances with statutory/Government authorities	2.00	2.00
Taxes paid under protest	1.34	1.35
	64.88	**119.61**
Less: Allowance for doubtful advances	-	(0.04)
Total	**64.88**	**119.57**
B) Current (unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or kind	22.73	37.90
Prepayments	28.05	20.45
Balances with statutory/Government authorities	123.48	70.03
Others	0.96	2.31
Total	**175.22**	**130.69**

8. Inventories

Particulars	March 31, 2024	March 31, 2023
(At lower of cost and net realisable value)		
Raw materials [including port stock and stock-in-transit ₹78.61 (March 31, 2023: ₹83.87)]	589.99	557.90
Work-in-progress	679.47	562.08
Finished goods	495.80	499.80
Stores, spares and packing materials	80.15	65.03
Total	**1,845.41**	**1,684.81**

9. Trade receivables

Particulars	March 31, 2024	March 31, 2023
Unsecured		
Considered good	1,662.17	1,580.44
Reveivable from related parties (Refer note no. 32)	0.75	-
Credit impaired	5.61	1.36
	1,668.53	**1,581.80**
Less: Allowance for doubtful debts	(5.61)	(1.36)
Total	**1,662.92**	**1,580.44**

a) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

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(All amounts in crores rupees except for share data or as otherwise stated)

b) Trade receivables are non-interest bearing and are generally on terms of 30 - 120 days.

c) Of the trade receivables balance, ₹433.41 in aggregate (as at March 31, 2023 ₹487.71) is due from the Company's customers individually representing more than 5 % of the total trade receivables balance.

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

e) Trade receivables is net of bills discounted without recourse amounting to ₹33.82 (as at March 31, 2023 ₹37.63)

(f) Movement in the expected credit loss allowance	March 31, 2024	March 31, 2023
Balance at the beginning of the year	1.36	0.30
Movement in expected credit loss allowance on trade receivables	4.25	1.06
Balance at the end of the year	**5.61**	**1.36**

Trade Receivables ageing schedule for the year ended March 31,2024:

Particulars	Not Due	Outstanding from due date of payment					Total
		Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables - considered good	1,049.28	545.31	52.10	16.23	-	-	1,662.92
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade receivables - credit impaired	-	-	-	5.61	-	-	5.61
iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	**1,049.28**	**545.31**	**52.10**	**21.84**	**-**	**-**	**1,668.53**

Trade Receivables ageing schedule for the year ended March 31,2023:

Particulars	Not Due	Outstanding from due date of payment					Total
		Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables - considered good	1,115.48	385.28	77.53	2.15	-	-	1,580.44
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade receivables - credit impaired	-	-	-	1.36	-	-	1.36
iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	**1,115.48**	**385.28**	**77.53**	**3.51**	**-**	**-**	**1,581.80**

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10. Cash and cash equivalents and other bank balances

Particulars	March 31, 2024	March 31, 2023
A) Cash and cash equivalents		
Balances with banks		
- On current accounts	121.71	19.25
- Deposits with original maturity of less than three months	17.13	26.33
Cash on hand	0.10	0.09
Total	**138.94**	**45.67**
B) Other balances with banks		
On deposit accounts		
- Remaining maturity for less than twelve months*	2.42	2.51
- Unclaimed dividend accounts	0.29	0.28
Total	**2.71**	**2.79**

*Deposits with a carrying amount of ₹2.42 (March 31, 2023: ₹2.51) are towards margin money given for letter of credit and bank guarantees.

11. Equity share capital

Particulars	March 31, 2024	March 31, 2023
Authorised		
555,000,000 (March 31, 2023: 555,000,000) Equity shares of ₹2/- each	111.00	111.00
Total	**111.00**	**111.00**
Issued, Subscribed and Paid Up		
538,965,858 (March 31, 2023: 538,650,925) Equity shares of ₹2/- each	107.79	107.73
	107.79	107.73
Total	**107.79**	**107.73**

11.1. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity Shares of ₹2/- each, fully paid up	For the year ended March 31, 2024		For the year ended March 31, 2023	
	No.	₹	No.	₹
Balance as per last financial statements (₹2/- each)	538,650,925	107.73	537,359,335	107.47
Issued during the year - ESOP (₹2/-each)	314,933	0.06	1,291,590	0.26
Outstanding at the end of the year	**538,965,858**	**107.79**	**538,650,925**	**107.73**

11.2. Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹2/- per share. Each holder of equity shares is entitled to one vote per share at the general meetings of the Company. For liquidation terms refer note 11.2a.

The Company declares and pays dividends in Indian rupees. The final dividend, if any, proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2024, the amount of dividend (first interim dividend ₹0.40 and second interim dividend ₹0.40) per share declared as distribution to equity shareholders was ₹0.80 (March 31, 2023: first interim dividend ₹0.80 and second interim dividend ₹1.20 per share declared as distribution to equity shareholders was ₹2.00).

11.2a. Liquidation terms and preferential rights

The liquidation terms of the equity shares are as follows:

(a) If the company shall be wound up, the Liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act divide amongst the shareholders, in specie or kind the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(b) For the purpose aforesaid, the Liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the shareholders or different classes of shareholders.

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

11.3. Details of Shareholders holding more than 5 % shares of the Group:

Particulars	March 31, 2024		March 31, 2023	
Equity shares of ₹2/- each held by	% Holding	No.	% Holding	No.
M/s. NSN Holdings represented by Dr. Satyanarayana Chava	23.03%	124,126,740	23.04%	124,126,740
New World Fund Inc	6.50%	35,030,409	5.29%	28,511,600

11.4 Details of shares held by the promoters of the Company:

Equotu Shares held by promoters as at March 31, 2024 and March 31, 2023

Promoter Name	March 31, 2024			March 31, 2023		
	No of shares	% of total shares	% Change during the year	No of shares	% of total shares	% Change during the year
M/s. NSN Holdings (represented by Dr. Satyanarayana Chava)	124,126,740	23.03%	-	124,126,740	23.04%	-
Dr. C.V. Lakshmana Rao	13,450,145	2.50%	-	13,450,145	2.50%	-
M/s. Leven Holdings (represented by Mr. V.V. Ravi Kumar)^	6,705,000	1.24%	-	6,705,000	1.24%	100.00%
Mr. V. V. Ravi Kumar^	1,000,000	0.19%	-	1,000,000	0.19%	-87.02%
Mr. Narasimha Rao Chava	119,675	0.02%	-	119,675	0.02%	-
Mr. Chandrakanth Chereddi	42,000	0.01%	-	42,000	0.01%	-
Mrs. V. Krishnaveni	201,397	0.04%	-	201,397	0.04%	-
Mr. C. Sekhar Babu	100,000	0.02%	-	100,000	0.02%	-
Mrs. V. Hymavathi	225,000	0.04%	-	225,000	0.04%	-
Mrs. Soumya Chava	10,440	0.00%	-	10,440	0.00%	-
Mr. Krishna Chaitanya Chava	20,699	0.00%	-	20,699	0.00%	-
Mrs. T. Nagamani	100,000	0.02%	-	100,000	0.02%	-
Mrs. K. Kamala	100,000	0.02%	-	100,000	0.02%	-
Mr. S. Narasimha Rao	147,500	0.03%	-	147,500	0.03%	-
Mrs. S. Rama	170,000	0.03%	-	170,000	0.03%	-

^Mr. V.V. Ravi Kumar, Promoter of the Company had transferred 67,05,000 shares to partnership firm M/s. Leven Holdings on November 02, 2022.

11.5. Details of shares reserved for issue under options

For details of shares reserved for issue under Employee Stock Options Scheme plan of the Group, refer note no. 29.

11.6. Other equity

Particulars	March 31, 2024	March 31, 2023
Capital reserve	1.79	1.79
Securities premium	717.08	713.06
Employee Stock option reserve	21.47	12.08
Retained earnings	3,314.95	3,302.01
Gross obligation liability to acquire non-controlling interest	(33.32)	(83.20)
Other comprehensive income	(9.02)	(8.13)
Foreign currency translation reserve	(9.79)	(7.81)
Total	**4,003.16**	**3,929.80**

Nature and purpose of reserves

Capital reserve:

Represents capital reserve balances of acquired entities which are transferred to the Company upon merger.

Securities premium:

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

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crorer rupees except for share data or as otherwise stated)

Employee Stock option reserve:

The fair value of the equity-settled share based payment transactions with employees is recognised in statement of profit and loss with corresponding credit to Employee Stock option reserve. This will be utilised for allotment of equity shares against outstanding employee stock options.

Retained earnings:

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distribution to share holders.

Gross obligation liability to acquire non-controlling interest:

Gross obligation liability to acquire non-controlling interest Represents the put option held by non-controlling interests recognised at present value of redemption amount.

Foreign currency translation reserve:

Exchange difference relating to the translation of the Group's foreign operations from their functional currencies to the Company's presentation currency are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

Other Comprehensive Income:

Comprises of: (i) Re-measurement of defined employee benefit plans: Difference between the interest income on plan assets and the return actually achieved, any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments with in the plans, are recognised in other comprehensive income and subsequently not reclassified in to consolidated statement of profit and loss. (ii) Exchange differences on translation of financial statements of foreign operations: Represents exchange differences arising on account of conversion of foreign operations to Group's functional currency.

12. Dividends paid and proposed

Cash dividends on equity shares declared and paid:	2023-24		2022-23	
	Dividend per equity share	Amount	Dividend per equity share	Amount
First interim dividend for the financial year 2022-23 (face value of ₹2/- each)	-	-	0.80	42.99
Second interim dividend for the financial year 2022-23 (face value of ₹2/- each)	1.20	64.64	-	-
First interim dividend for the financial year 2023-24 (face value of ₹2/- each)	0.40	21.54	-	-
		86.18		42.99
Proposed dividends on equity shares:				
Second interim dividend for the financial year 2022-23 (face value of ₹2/- each)	-	-	1.20	64.64
Second interim dividend for the financial year 2023-24 (face value of ₹2/- each)*	0.40	21.56	-	-
		21.56		**64.64**

*The Board of Directors of the Company in their meeting held on April 25, 2024 have approved for payment of second interim dividend and the Company has fixed May 08, 2024 as "Record Date" for determining the eligibility of the Shareholders. Accordingly, the Company has not recognised the said proposed dividend as a liability as at March 31, 2024.

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

13. Financial liabilities

Particulars	March 31, 2024	March 31, 2023
A) Non-current borrowings		
Term loans		
Indian rupee loans from banks (Secured)	667.42	537.81
Foreign currency loans from banks (Secured)	130.81	223.61
Total	**798.23**	**761.42**
Current maturities of non-current borrowings		
Term loans		
Indian rupee loans from banks (Secured)	226.16	109.25
Foreign currency loans from banks (Secured)	93.37	105.53
	319.53	214.78
Less: Amount disclosed under the head "current borrowings"	(319.53)	(214.78)
Total	-	-
B) Current borrowings		
Cash credits and working capital demand loans		
Indian rupee loans from banks (Secured)	726.68	375.09
Indian rupee loans from banks (Un Secured)	526.03	487.11
Foreign currency loans from banks (Secured)	39.59	39.03
Buyer's credit from banks (Secured)	44.09	34.34
Buyers credit from banks (Unsecured)	52.90	60.20
Current maturities of non-current borrowings	319.53	214.78
Total	**1,708.82**	**1,210.55**

Terms and conditions of borrowings - Laurus Labs Limited:

(a) The details of Indian rupee term loans from banks are as under:

Name of the Bank	Outstanding as on March 31, 2024	Outstanding as on March 31, 2023	Sanction Amount	No. of Instalments	Commencement of instalments	Effective interest rate^
HDFC Bank (HDFC)	100.00	140.00	200.00	20 quarterly instalments of ₹10	December 2021	Repo + 1.25% (March 31, 2023: Repo + 1.25%)
The Hongkong & Shanghai Banking Corporation (HSBC)	46.88	65.63	150.00	16 quarterly instalments of ₹9.375	July 2021	T Bill + 0.29% (March 31, 2023: T Bill + 0.29%)
CITI Bank (CITI)	5.00	11.67	40.00	24 quarterly instalments of ₹1.67	January 2019	T Bill + 0.28% (March 31, 2023: T Bill + 0.28%)
HDFC Bank (HDFC)	172.93	-	200.00	22 quarterly instalments ranging from ₹5 to ₹10	March 2024	1M T Bill + 1.20%
Axis Bank (Axis)	189.88	200.00	200.00	20 quarterly instalments ranging from ₹2.50 to ₹11.875	May 2023	Repo +1.50% (March 31, 2023: Repo + 1.50%)

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crorer rupees except for share data or as otherwise stated)

(b) Foreign Currency loans from banks comprise of Foreign Currency Non Resident Term Loan (FCNR TL) and ECB loan:

Name of the Bank & Nature of Loan	Outstanding as on March 31, 2024	Outstanding as on March 31, 2023	Sanction Amount	No. of Instalments	Commencement of instalments	Effective interest rate^
State Bank of India (SBI) - FCNR TL*	-	66.86	US$ 13.80 Mn	18 quarterly instalments of ₹5.55	December 2021	SOFR plus 1.25% p.a. (March 31, 2023: SOFR plus 1.50% p.a.)
State Bank of India (SBI) - FCNR TL*	-	68.36	US$ 13.25 Mn	18 quarterly instalments of ₹5.55	December 2021	SOFR plus 1.50% p.a. (March 31, 2023: SOFR plus 1.05% p.a.)
State Bank of India (SBI) - FCNR TL*	89.40	-	US$ 12.08 Mn	11 quarterly instalments of ₹11.113	July 2023	SOFR plus 1.25% p.a. (March 31, 2023: nil)
The Hongkong & Shanghai Banking Corporation (HSBC), Singapore - ECB TL	-	12.83	US$ 25 Mn	16 quarterly instalments of ₹12.84	July 2019	LIBOR plus 0.76% p.a. (March 31, 2023: LIBOR plus 0.76% p.a.)
State Bank of India (SBI) - New York - ECB TL	134.78	181.08	US$ 25 Mn	17 quarterly instalments of ₹12.07	November 2022	LIBOR plus 0.97% p.a. (March 31, 2023: LIBOR plus 0.97% p.a.)

*During year ended March 31, 2024, SBI FCNR Term Loans have been converted to a single SBI Term Loan and converted back to SBI FCNR Term Loan.

^Secured Overnight Financing Rate (SOFR), London Interbank Offer Rate (LIBOR) and Marginal Cost of Funds based Lending Rate (MCLR)

(c) All term loans are secured by pari passu first charge on the property, plant and equipment (both present and future) except to the extent of assets exclusively charged to banks. They are further secured by pari passu second charge on current assets (both present and future).

(d) Current borrowings are availed in both Rupee and Foreign currencies. Interest on rupee loans ranges from MCLR plus 0% to 0.10% (March 31, 2023: MCLR plus 0% to 0.10%). Buyers credit loan interest ranges from SOFR plus 0.30% to SOFR plus 0.45% (March 31, 2023: SOFR plus 0.15% to SOFR plus 0.67%). The secured current borrowings are backed by pari passu first charge on current assets and pari passu second charge on the fixed assets (both present and future). [March 31, 2023: The secured current borrowings are backed by pari passu first charge on current assets and pari passu second charge on the fixed assets (both present and future)].

(e) The Group has used the borrowings for the purposes for which it was taken.

(f) The quarterly returns of current assets filed by the Group with banks are in agreement with the books of account.

(g) Reconciliation of liabilities from financing activities are given below:

Particulars	March 31, 2023	Cash flows	Non-cash transactions foreign exchange loss	March 31, 2024
Non-current borrowings including current maturities	976.20	147.17	5.61	1,117.76
Current borrowings	995.77	393.88	0.36	1,389.29

Particulars	March 31, 2022	Cash flows	Non-cash transactions foreign exchange gain	March 31, 2023
Non-current borrowings including current maturities	821.31	136.67	(18.22)	976.20
Current borrowings	910.75	84.95	(0.07)	995.77

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for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

Terms and conditions of borrowings - Laurus Synthesis Private Limited.

Name of the Bank	Outstanding as on March 31, 2024	Outstanding as on March 31, 2023	Sanction Amount	No. of Instalments	Commencement of instalments	Effective interest rate
DBS Bank India Limited	13.98	27.95	48.00	16 quarterly instalments ranging from ₹15 to 35	April 2021	Repo plus 2.25% (March 31 2023: Repo plus 2.25%)
State Bank of India	139.63	149.57	150.00	28 quarterly instalments ranging from ₹25 to 75	June 2023	Repo plus 2.25% (March 31 2023: Repo plus 2.25%)
HDFC Bank	149.25	-	150.00	20 quarterly instalments ranging from ₹7.5 to 91.88	January 2024	1M T-Bill plus 0.88%

(a) Term Loans are secured by pari passu first charge on fixed assets (both present & future) and pari passu second charge on current assets of the company and are also backed by corporate guarantee issued by Laurus Labs Limited.

Current borrowings are availed in Rupee. Interest on rupee loans at MCLR+0.5%. These borrowings are secured by pari passu first charge on the current assets and pari passu second charge on fixed assets of the company, and are also backed by corporate guarantee from Laurus Labs Limited.

Terms and conditions of borrowings - Laurus Bio Private Limited:

Name of the Bank	Outstanding as on March 31, 2024	Outstanding as on March 31, 2023	Sanction Amount	No. of Instalments	Commencement of instalments	Effective interest rate
CITI Bank Term Loan I	10.42	18.75	25.00	Tenor of 4 years including moratorium of 12 month and repayable in 12 quarterly Installments	August 2022	3M T-Bill+1.86%
CITI Bank Term Loan II	65.63	33.50	70.00	Tenor of 5 years including moratorium of 12 month and repayable in 16 quarterly Installments	March 2024	3M T-Bill+1.5%

(a) March 31 2024: Term Loan from Citi bank is secured by an first exclusive charge on present and future movable fixed assets and a second charge on present and future stocks and book debts of the company. The loan is also backed by Corporate guarantee issued by Laurus Labs Limited. (March 31 2023: Term Loan from Citi bank is secured by an first exclusive charge on present and future movable fixed assets and a second charge on present and future stocks and book debts of the company. The loan is also backed by Corporate guarantee issued by Laurus Labs Limited).

(b) Current borrowings are availed in Rupee. Interest on rupee loans range from MCLR plus 0.15% to MCLR plus 0.20%. These borrowings are secured by first exclusive charge on current assets and second exclusive charge on fixed assets of the company (both present & future) and are also backed by corporate guarantee issued by Laurus Labs Limited (March 31, 2023: Current borrowings are secured by first exclusive charge on current assets and second exclusive charge on fixed assets of the company (both present & future) and are also backed by corporate guarantee issued by Laurus Labs Limited).

C) Trade payables

Particulars	March 31, 2024	March 31, 2023
Valued at amortised cost		
- Total outstanding dues to creditors other than micro enterprises and small enterprises	1,020.35	671.06
- Outstanding dues to related parties (refer note no. 32)	1.29	1.25
Total	**1,021.64**	**672.31**
- Total outstanding dues to micro enterprises and small enterprises (refer note no. 30)	29.60	38.34
Total	**29.60**	**38.34**

Terms and conditions of the above financial liabilities:

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for the year ended March 31, 2024

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Trade payables are non-interest bearing and are normally settled on 30-120 day terms.

For explanations on the Group's credit risk management processes, refer to note 36.

Trade Payables ageing schedule for the year ended March 31, 2024

Particulars		Unbilled	Not due	Outstanding from due date of payment				Total
				Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
i)	Total outstanding dues to micro enterprises and small enterprises	-	29.60	-	-	-	-	29.60
ii)	Total outstanding dues to creditors other than micro enterprises and small enterprises	125.31	519.39	372.97	3.66	0.30	0.01	1,021.64
iii)	Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
iv)	Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total		**125.31**	**548.99**	**372.97**	**3.66**	**0.30**	**0.01**	**1,051.24**

Trade Payables ageing schedule for the year ended March 31, 2023

Particulars		Unbilled	Not due	Outstanding from due date of payment				Total
				Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
i)	Total outstanding dues to micro enterprises and small enterprises	-	38.34	-	-	-	-	38.34
ii)	Total outstanding dues to creditors other than micro enterprises and small enterprises	127.65	274.90	263.27	2.70	0.05	3.74	672.31
iii)	Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
iv)	Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total		**127.65**	**313.24**	**263.27**	**2.70**	**0.05**	**3.74**	**710.65**

D) Other financial liabilities

Particulars	March 31, 2024	March 31, 2023
Valued at amortised cost		
Capital creditors	129.45	183.71
Interest accrued*	9.31	8.62
Total	**138.76**	**192.33**

* Interest accrued but not due is normally settled monthly/quarterly throughout the financial year.

E) Other financial liabilities

Particulars	March 31, 2024	March 31, 2023
Gross obligation liability to acquire Non-controlling interest	42.33	91.20
	42.33	**91.20**

*During the year ended March 31, 2021, the Company acquired 72.55% stake in Laurus Bio Private Limited (''Laurus Bio'') (Formerly known as Richcore Lifesciences Private Limited) on January 20, 2021. Laurus bio became the subsidiary w.e.f. January 20, 2021. The Company further acquired 6.66% stake on February 10, 2021 from promoters of Laurus bio. As at March 31, 2023 the Company holds 76.60% (March 31, 2022: 76.60%) stake in Laurus Bio Private Limited. According to conditions stipulated in the Investment Agreement, the selling shareholders (Promoters) have "put option" over 23.40% shareholding at any time between January 20, 2024 and January 20, 2026 for a consideration equal to their proportion of the equity value of Laurus Bio. This option has been recognised as a financial liability at the fair value of the redemption amount with a corresponding adjustment to other equity.

During the year ended March 31, 2024, the Company acquired additional 14.54% stake in Laurus Bio Private Limited (LBPL) from its promoters and employees for a purchase consideration of ₹71.60 crores. Consequently, the total shareholding in LBPL has increased to 91.14%. (As on March 31, 2023, the Company holds 76.60%).

Notes to Financial Statements
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(All amounts in crores rupees except for share data or as otherwise stated)

14. Other Non-current and current liabilities

Particulars	March 31, 2024	March 31, 2023
A) Non-current		
Advances from customers	105.95	125.50
	105.95	**125.50**
B) Current		
Advances from customers	81.85	148.21
Unclaimed dividend	0.29	0.28
Charge back reserves and rebates*	48.84	63.00
Statutory dues	13.27	16.47
Total	**144.25**	**227.96**
***Details of charge back reserves and rebates**		
Opening Balance	63.00	47.89
Provisions relating to sales during the year	437.29	317.06
Credits/payments during the year	(451.45)	(301.95)
Closing Balance	**48.84**	**63.00**

15. Provisions

Particulars	March 31, 2024	March 31, 2023
A) Non-current provisions		
Provision for gratuity (Refer note no. 28)	59.32	51.08
Provision for compensated absences	34.15	30.39
Total	**93.47**	**81.47**
B) Current provisions		
Provision for gratuity (Refer note no. 28)	10.59	7.95
Provision for compensated absences	14.22	12.14
Total	**24.81**	**20.09**

16. Income tax assets / liabilities

Particulars	March 31, 2024	March 31, 2023
A) Income tax assets		
Advance tax (net)	2.97	20.44
	2.97	**20.44**
B) Income tax liabilities		
Provision for taxes (net)	36.21	65.00
	36.21	**65.0**

17. Revenue from operations

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of products			
Income from sale of API, Intermediates and Formulations		4,626.62	5,644.83
Income from sale of traded goods		111.98	162.89
	(A)	**4,738.60**	**5,807.72**
Sale of services			
Contract research services		263.20	206.50
	(B)	**263.20**	**206.50**

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crorer rupees except for share data or as otherwise stated)

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
Other operating revenue			
Sale of scrap		13.31	11.80
Export and other incentives*		0.19	0.23
Others		25.53	14.30
	(C)	**39.03**	**26.33**
Revenue from operations	(A+B+C)	**5,040.83**	**6,040.55**

*Export and other incentives have been recognised on the following:

a) Incentive in the form of duty credit scrip upon sale of exports under Merchandise Exports from India Scheme under Foreign Trade Policy of India 2015-20.

b) Existing Foreign Trade Policy 2015-20, has been extended till September 30, 2022 vide notification no.64/2015-2020 dated 31.03.2022 & Public Notice No.53/2015-2020 dated 31.03.2022

(i) Reconciliation of revenue from sale of products with the contracted price	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue as per contracted price, net of returns	5,004.48	5,907.86
Adjusted for:		
Chargebacks, rebates and discounts	(437.29)	(317.06)
Profit sharing adjustments	59.43	54.03
Total revenue from contracts with customers	**4,626.62**	**5,644.83**

(ii) Disaggregated revenue information:	For the year ended March 31, 2024	For the year ended March 31, 2023
Below is the disaggregation of the Company's revenue from contracts with customers.		
Revenue from operations - Domestic	1,972.76	1,673.82
Revenue from operations - Exports	3,068.07	4,366.73
Total	**5,040.83**	**6,040.55**
Timing of revenue recognition		
Goods transferred at a point of time	4,777.63	5,834.05
Services transferred over time	263.20	206.50
Total	**5,040.83**	**6,040.55**

(iii) Details of contract balances	March 31, 2024	March 31, 2023
Trade receivables (Refer note no. 9)	1,662.92	1,580.44
Advance from customers (Refer note no. 14)	187.80	273.71

(iv) The amount of revenue recognised from advances from customers at the beginning of the year ₹145.92 (March 31, 2023: ₹186.93)

(v) Revenue from customers contributing more than 10% of total revenue amounts to ₹ nil (March 31, 2023: ₹1,432.09)

18. Other income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net gain on foreign exchange fluctuations	3.66	-
Bad debts recovered	-	0.40
Provision no longer required written back	0.01	1.04
Insurance claim	17.05	-
Miscellaneous income	0.01	-
Total	**20.73**	**1.44**

Notes to Financial Statements
for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

19. Cost of materials consumed

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
Raw materials consumed			
Opening stock at the beginning of the year		549.81	607.01
Add: Purchases		2,404.49	2,494.72
		2,954.30	**3,101.73**
Less: Closing stock at the end of the year		589.99	549.81
	(A)	**2,364.31**	**2,551.92**
Packing materials consumed	(B)	58.07	44.65
Total	(A+B)	**2,422.38**	**2,596.57**

20. Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening stock of inventories		
Finished goods of API, Intermediates and Formulations	512.31	496.07
Work-in-progress of API, Intermediates and Formulations	562.08	600.36
	1,074.39	**1,096.43**
Closing stock of inventories		
Finished goods of API, Intermediates and Formulations	495.80	512.31
Work-in-progress of API, Intermediates and Formulations	679.47	562.08
	1,175.27	**1,074.39**
(Increase)/Decrease in inventories of finished goods and work-in-progress	**(100.88)**	**22.04**
(Increase)/Decrease in finished goods of API, Intermediates and Formulations	16.51	(16.24)
(Increase)/Decrease in Work-in-Progress of API, Intermediates and Formulations	(117.39)	38.28
(Increase)/Decrease in inventories of finished goods and work-in-progress	**(100.88)**	**22.04**

21. Employee benefits expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, allowances and wages	483.48	444.51
Contribution to provident fund and other funds	29.12	25.76
Gratuity expense (Refer note no. 28)	13.81	12.26
Share based payment expense (Refer note no. 29)	10.92	7.48
Managerial remuneration	25.08	23.21
Recruitment and training	1.48	1.40
Staff welfare expenses	76.04	66.02
Total	**639.93**	**580.64**

Notes to Financial Statements
for the year ended March 31, 2024

(All amounts in crorer rupees except for share data or as otherwise stated)

22. Other expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Consumption of stores and spares	66.67	66.39
Conversion charges	27.86	39.04
Factory maintenance	212.62	187.02
Effluent treatment expenses	91.96	73.30
Power and fuel	338.15	324.10
Repairs and maintenance		
Plant and machinery	92.51	71.72
Buildings	11.21	10.58
Others	3.65	3.16
Product development	43.76	25.59
Testing and analysis charges	3.49	1.45
Rent	2.26	2.30
Rates and taxes	31.82	35.24
Office maintenance	4.56	3.32
Insurance	34.08	28.07
Printing and stationery	3.88	3.74
Consultancy and other professional charges	27.13	30.69
Membership and subscription	11.00	9.07
Auditors' remuneration	1.60	1.65
Travelling and conveyance	12.66	10.45
Communication expenses	3.82	3.41
Loss on sale of property, plant and equipment (net)	1.93	0.21
Allowance for bad and doubtful advance and debts	4.93	1.65
Net Loss on foreign exchange fluctuations	-	24.92
Carriage outwards	45.99	44.51
Commission on sales	28.85	32.55
Other selling expenses	48.97	22.48
Business promotion and advertisement	10.68	16.60
CSR expenditure (Refer note no. 26)	23.31	18.59
Donations	1.50	0.88
Miscellaneous expenses	0.13	0.73
Total	**1,190.98**	**1,093.40**

23A. Finance income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest Income on		
Deposits and margin money held	1.77	1.68
Electricity deposits and others	3.84	2.88
Total	**5.61**	**4.56**

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

23B.Finance costs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest		
- on term loans*	72.29	38.84
- on working capital loans	88.54	68.91
- on others	10.93	15.14
	171.76	**122.89**
Bank charges	7.90	19.70
Exchange differences to the extent considered as an adjustment to finance costs	3.24	22.58
Total	**182.90**	**165.17**

*Borrowing cost of ₹4.20 (March 31, 2023: ₹1.62) has been capitalised and transferred to CWIP. Capitalisation rate considered is 7.83% p.a. (March 31, 2023: 7.25 % p.a.)

24. Components of other comprehensive income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Retained earnings:		
Remeasurement gains/(losses) on defined benefit plans	(1.20)	0.75
Deferred tax on remeasurement of defined benefit plans	0.31	(0.17)
Exchange differences on translating the financial statements of foreign operations	(1.98)	(6.21)
Total other comprehensive income for the year, net of tax	**(2.87)**	**(5.63)**

25. Earnings per share (EPS)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Profit available for equity shareholders	160.55	790.11
Weighted average number of equity shares in computing basic EPS	538,749,879	537,730,888
Add: Effect of dilution		
Stock options granted under ESOP	915,791	1,869,599
Weighted average number of equity shares in computing diluted earnings per share	539,665,671	539,600,487
Face value of each equity share (₹)	2.00	2.00
Earnings per share		
- Basic (₹)	2.98	14.69
- Diluted (₹)	2.97	14.64

26. Details of CSR expenditure

As per the requirement of the Companies Act, 2013, gross amount required to be spent by the Company during the year is ₹22.01 (March 31, 2023: ₹17.03).The nature of CSR activities undertaken by the company includes promoting education, health care and environmental sustainability. The details of CSR expenditure is given below.

CSR Activities	For the year ended March 31, 2024		
	In cach	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
	(-)	(-)	(-)
(ii) On purposes other than (i) above	22.28	-	22.28
	(17.90)	(-)	(17.90)

Notes to Financial Statements
for the year ended March 31, 2024

(All amounts in crorer rupees except for share data or as otherwise stated)

Amounts in bracket indicate previous year numbers. There is no shortfall at the end of March 31, 2024 and March 31, 2023 in terms of amount required to be spent by the company.

The above includes contribution made to Laurus Charitable Trust amounting to ₹22.12 (March 31, 2023: ₹10.18) (Refer note no. 32)

27. Taxes

(a) Income tax expense:

The major components of income tax expenses for the year ended March 31, 2024 and for the year ended March 31, 2023 are:

(i) Statement of Profit and Loss

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax	93.11	289.83
Deferred tax credit*	(24.96)	22.47
Total income tax expense recognised in Statement of Profit and Loss	**68.15**	**312.30**

*Including Mat credit utilisation (net) of ₹0.14 crores (March 31, 2023: ₹30.71 crores)

(ii) Other comprehensive income (OCI)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Tax on remeasurement of defined benefit plans	0.31	(0.17)
Total tax recognised in OCI	**0.31**	**(0.17)**

(b) Reconciliation of effective tax rate:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before tax (A)	236.36	1,108.94
Enacted tax rate in India (B)	25.17 %	25.17 %
Expected tax expenses (C = A*B)	59.49	279.10
Other than temporary difference		
Expenses disallowed under Income Tax Act, 1961	24.52	28.04
Effect of higher tax rate in subsidiaries	(3.27)	9.72
Impact of rate change on deferred tax	-	(25.43)
Deferred Tax Liability Originating and reversing during tax holiday period	-	39.49
Results of subsidiaries not taxable	29.46	1.89
MAT Credit reversal	-	33.21
Tax pertaining to earlier years	(10.98)	14.04
Others	(5.32)	30.96
Total (D)	**34.42**	**131.92**
Profit after adjusting permanent difference	270.78	1,240.86
Expected tax expense	68.15	312.30
Actual income tax expense (benefit)	68.15	312.30
Effective tax rate	28.83 %	28.16 %

(c) The details of component of deferred tax assets are given under note 6.

(d) During the year ended March 31, 2023, the Parent Company elected to exercise the option permitted under Section 115BAA of the Income-Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Parent Company has recognised provision for income tax for the year ended March 31, 2023 and remeasured its deferred tax assets/liabilities based on the rate prescribed in the said Section.

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

28. Gratuity

Defined Benefit Plans

The Group has a defined benefit gratuity plan and governed by Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service is entitled to a gratuity on departure at 15 days salary for each completed year of service. The scheme is funded through a policy with SBI Life Insurance Company Limited. The following tables summarise net benefit expenses recognised in the Statement of Profit and Loss, the status of funding and the amount recognised in the Balance sheet for the gratuity plan:

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
A)	**Net employee benefit expense (recognised in employee benefits expenses)**		
	Current service cost	10.30	8.58
	Interest cost	4.53	3.80
	Expected return on plan assets	(0.22)	(0.12)
	Net employee benefit expenses	**14.61**	**12.26**
	Actual return on plan asset	(0.15)	(0.09)
B)	**Amount recognised in the Balance Sheet**		
	Defined benefit obligation	73.63	61.33
	Fair value of plan assets	3.72	2.30
		69.91	**59.03**
C)	**Changes in the present value of the defined benefit obligation**		
	Opening defined benefit obligation	61.33	51.92
	Current service cost	10.30	8.58
	Interest cost	4.53	3.80
	Benefits paid	(3.73)	(2.22)
	Net actuarial (gains) / losses on obligation for the year recognised under OCI	1.20	(0.75)
	Closing defined benefit obligation	**73.63**	**61.33**
D)	**Change in the fair value of plan assets**		
	Opening fair value of plan assets	2.30	1.13
	Actual return on plan assets	0.15	0.09
	Contributions	4.60	2.80
	Benefits paid	(3.33)	(1.72)
	Closing fair value of plan assets	**3.72**	**2.30**
	The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:		
	Investments with SBI Life Insurance Company Limited	100.00 %	100.00 %
E)	**Remeasurement adjustments:**		
	Financial (loss)/ gain on plan assets	(1.20)	0.75
	Remeasurement gains/(losses) recognised in other comprehensive income:	**(1.20)**	**0.75**

Notes to Financial Statements
for the year ended March 31, 2024

(All amounts in crorer rupees except for share data or as otherwise stated)

(i) The principal assumptions used in determining gratuity for the Group's plans are shown below:

	For the year ended March 31, 2024	For the year ended March 31, 2023
Discount rate	7.23%	7.51%
Expected rate of return on assets	7.23%	6.90%
Salary escalation	11.00%	11.00%
Attrition rate	15.00%	15.00%

The estimates of future salary increases, considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(ii) Disclosure related to indication of effect of the defined benefit plan on the entity's future cashflows:

Expected benefit payments for the year ending:

Year ending	For the year ended March 31, 2024	For the year ended March 31, 2023
Year 1	10.63	7.98
Year 2	9.99	7.46
Year 3	9.49	7.64
Year 4	8.78	7.29
Year 5	8.31	6.75
Beyond 5 years	23.56	21.91

The average duration of the defined benefit plan obligation at the end of the reporting period is 26.04 years (March 31, 2023: 26.04 years).

(iii) Sensitivity analysis:

A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Effect of 1% change in assumed discount rate on defined benefit obligation		
- 1% increase	(6.87)	(2.68)
- 1% decrease	3.94	4.83
(b) Effect of 1% change in assumed salary escalation rate on defined benefit obligation		
- 1% increase	3.49	4.43
- 1% decrease	(6.68)	(2.52)
(c) Effect of 1% change in assumed attrition rate on defined benefit obligation		
- 1% increase	(3.82)	0.26
- 1% decrease	0.41	1.52

Defined contribution plan

Particulars	March 31, 2024	March 31, 2023
Contribution to provident fund	27.07	23.75
Contribution to superannuation fund	2.33	2.14

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

29. Share based payments - Equity settled

ESOP 2016 Scheme

The board of directors/ compensation committee has approved the Laurus Employees Stock Option Scheme (ESOP) 2016 for issue of stock options to eligible employees of the Company effective from June 09, 2016. According to the Scheme, the options granted vest within a period of four years, subject to the terms and conditions specified in the scheme. Options granted shall vest so long as the employee continues to be in the employment of the Company as on the date of vesting. Subject to an employee's continued employment with the Company, options can be exercised any time on or after the date of vesting of options as specified in the respective grants under the Scheme.

ESOP 2018 Scheme

The board of directors/ compensation committee has approved the Laurus Employees Stock Option Scheme (ESOP) 2018 for issue of stock options to eligible employees of the Company. According to the Scheme, the options granted vest within a period of four years, subject to the terms and conditions specified in the scheme. Options granted shall vest so long as the employee continues to be in the employment of the Company as on the date of vesting. Subject to an employee's continued employment with the Company, options can be exercised any time on or after the date of vesting of options as specified in the respective grants under the Scheme.

ESOP 2021 Scheme

The board of directors/ compensation committee has approved the Laurus Employees Stock Option Scheme (ESOP) 2021 for issue of stock options to eligible employees of the Company. According to the Scheme, the options granted vest within a period of five years, subject to the terms and conditions specified in the scheme. Options granted shall vest so long as the employee continues to be in the employment of the Company as on the date of vesting. Subject to an employee's continued employment with the Company, options can be exercised any time on or after the date of vesting of options as specified in the respective grants under the Scheme.

Exercise period

Scheme	Grant	Date of Grant	Exercise price	Weighted Average Fair value of option at grant date	Number of options	Year 1 25%	Year 2 25%	Year 3 50%
ESOP 2016	Grant II	December 01, 2018	292.00	167.83	537,150	01-Dec-20	01-Dec-21	01-Dec-22
ESOP 2016	Grant III	April 01, 2022	350.00	199.73	270,750	01-Apr-24	01-Apr-25	01-Apr-26
ESOP 2016	Grant IV	April 01, 2023	301.50	194.81	350,500	01-Apr-25	01-Apr-26	01-Apr-27
ESOP 2018	Grant I	December 01, 2019	255.50	150.88	149,750	01-Dec-21	01-Dec-22	01-Dec-23
ESOP 2018	Grant II	April 01, 2021	356.00	217.1	707,000	01-Apr-23	01-Apr-24	01-Apr-25
ESOP 2018	Grant III	April 01, 2022	350.00	199.73	5,000	01-Apr-24	01-Apr-25	01-Apr-26

Scheme	Grant	Date of Grant	Exercise price	Weighted Average Fair value of option at grant date	Number of options	Year1 20%	Year 2 25%	Year 3 25%	Year 4 25%
ESOP 2021	Grant I	April 01, 2023	301.50	197.44	787,500	01-Apr-25	01-Apr-26	01-Apr-27	01-Apr-28

The details of activity under the Scheme ESOP 2016 are summarised below:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	No. of options	No. of options
Outstanding at the beginning of the year	258,435	1,158,460
Granted during the year	350,500	270,750
Forfeited during the year	16,185	26,640
Exercised during the year	-	1,144,135
Outstanding at the end of the year	592,750	258,435
Weighted average exercise price for all the above options	321.53	292.00

Notes to Financial Statements

for the year ended March 31, 2024

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The details of activity under the Scheme ESOP 2018 are summarised below:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	No. of options	No. of options
Outstanding at the beginning of the year	947,950	1,135,685
Granted during the year	-	5,000
Forfeited during the year	52,598	45,280
Exercised during the year	314,933	147,455
Outstanding at the end of the year	580,419	947,950
Weighted average exercise price for all the above options	355.95	255.50

The details of activity under the Scheme ESOP 2018 are summarised below:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	No. of options	No. of options
Granted during the year	787,500	-
Forfeited during the year	-	-
Exercised during the year	-	-
Outstanding at the end of the year	787,500	-
Weighted average exercise price for all the above options	301.50	-

For options exercised during the year, the weighted average share price at the exercise date under under ESOP 2016 scheme, as at March 31, 2024 ₹ nil per share (March 31, 2023: ₹58.40 per share) and under ESOP 2018 scheme, as at March 31, 2024 ₹81.25 per share (March 31, 2023: ₹51.10 per share).

The weighted average remaining contractual life for the stock options outstanding under ESOP 2016 as at March 31, 2024 is 3.59 years (March 31, 2023: 4.01 years) , under ESOP 2018 as at March 31, 2024 is 2.01 years (March 31, 2023: 2.90) and under ESOP 2021 as at March 31, 2024 is 5 years (March 31, 2023: nil). The range of exercise prices for options outstanding under ESOP 2016 as at March 31, 2024 was ₹301.50 to ₹350.00 (March 31, 2023: ₹292.00 to ₹352.50) and under ESOP 2018 as at March 31, 2024 was ₹350.00 to ₹356.00 (March 31, 2023: ₹255.50 to ₹356.00) and ESOP 2021 as at March 31, 2024 was ₹301.50 (March 31, 2023: ₹ Nil)

The weighted average fair value of stock options granted during the year under ESOP 2016 scheme as at March 31, 2024 ₹194.81 (March 31, 2023: ₹167.83) , under ESOP 2018 scheme as at March 31, 2024 ₹ nil (March 31, 2023: ₹150.08) and under ESOP 2021 scheme as at March 31, 2024 ₹197.44 (March 31, 2023: ₹ Nil). The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	March 31, 2024						
	ESOP 2016 scheme			ESOP 2018 scheme			ESOP 2021 scheme
	Grant IV	Grant III	Grant II	Grant III	Grant II	Grant I	Grant I
Dividend yield	0.40%	0.34%	0.39%	0.34%	0.25%	0.43%	0.40%
Expected volatility	36.4% - 41.56%	36.37% - 44.27%	26.90%	36.37% - 44.27%	36.22% - 42.13%	26.3% - 27.18%	36.4% - 41.56%
Risk-free interest rate	7.10% - 7.14%	6.15% - 6.94%	7.19% - 7.43%	6.15% - 6.94%	4.74% - 5.54%	5.53% - 6.07%	7.1% - 7.14%
Weighted average share price of ₹	401.85	466.60	384.00	466.60	474.70	350.25	401.85
Exercise price of ₹	301.50	350.00	292.00	350.00	217.10	255.50	301.50
Expected life of options granted in years	2.5 - 4.51	1.26 - 3.26	2.5 - 4.5	1.26 - 3.26	2.43 - 4.43	2.5 - 4.51	2.5 - 4.51

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(All amounts in crores rupees except for share data or as otherwise stated)

	March 31, 2023					
	ESOP 2016 scheme			ESOP 2018 scheme		
	Grant III	Grant II	Grant I	Grant III	Grant II	Grant I
Dividend yield	0.34%	0.39%	0.39%	0.34%	0.25%	0.43%
Expected volatility	36.37% - 44.27%	26.90%	0.00%	36.37% - 44.27%	36.22% - 42.13%	26.3% - 27.18%
Risk-free interest rate	6.15% - 6.94%	7.19% - 7.43%	7.03%	6.15% - 6.94%	4.74% - 5.54%	5.53% - 6.07%
Weighted average share price of ₹	466.60	384.00	514.79	466.60	474.70	350.25
Exercise price of ₹	350.00	292.00	550.00	350.00	217.10	255.50
Expected life of options granted in years	1.26 - 3.26	2.5 - 4.5	2.50	1.26 - 3.26	2.43 - 4.43	2.5 - 4.51

The expected life of the stock is based on the historical data and current expectations and is not necessarily indicative of exercise pattern that may occur.

30. Trade payables (Details of dues to Micro and Small Enterprises as per MSMED Act,2006):

	For the year ended March 31, 2024	For the year ended March 31, 2023
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	29.60	38.34
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
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 purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-
Total	**29.60**	**38.34**

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

31. Segment reporting

A. The Group is engaged in the manufacture of Active Pharmaceutical Ingredients, intermediates and formulations and the same constitutes a single reportable business segment as per Ind AS 108.

B. Segment information for secondary segment reporting (by geographical segment)

The Company has reportable geographical segments based on location of its customers:

(i) Revenue from customers within India – Domestic

(ii) Revenue from customers outside India – Exports

Geographical segments

Particulars	For the year ended March 31, 2024		
	Outside India	Within India	Total
Revenue	3,068.07	1,972.76	5,040.83
Non-current assets (other than financial instruments and deferred tax assets)	2.32	4,378.38	4,380.70
Cost incurred to acquire capital assets	-	678.31	678.31

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Particulars	For the year ended March 31, 2023		
	Outside India	Within India	Total
Revenue	4,366.73	1,673.82	6,040.55
Non-current assets (other than financial instruments and deferred tax assets)	6.53	4,092.88	4,099.41
Cost incurred to acquire capital assets	-	990.16	990.16

32. Related party disclosures

Names of related parties and description of relationship

Name of the related party		Relationship
Associate Companies		
i)	ImmunoAdoptive Cell Therapy Private Limited	
ii)	Ethan Energy India Private Limited (w.e.f. January 03, 2023)	
Enterprise over which Key Management Personnel exercise significant influence		
i)	Chemiasoft Private Limited (Formerly known as Laurus Infosystems (India) Private Limited)	
ii)	HRV Global Life Sciences Private Limited	
iii)	Laurus Charitable Trust	
iv)	Kapston Facilities Management limited	
v)	Sterotherapeutics, LLC	
vi)	NSN Investments	
Key Management Personnel		
i)	Dr. Satyanarayana Chava	Executive Director & Chief executive officer
ii)	Mr. V.V. Ravi Kumar	Executive Director & Chief financial officer
iii)	Dr. C.V. Lakshmana Rao	Executive Director
iv)	Mr. Chandrakanth Chereddi	Non-executive Director (Resigned w.e.f. October 21, 2023)
v)	Mrs. Aruna Bhinge	Independent Director
vi)	Dr. Rajesh Koshy Chandy	Independent Director
vii)	Dr. Venugopala Rao Malempati	Independent Director
viii)	Dr. Ravindranath Kancherla	Independent Director
ix)	Mr. G Venkateswar Reddy	Company Secretary
Relatives of Key Management Personnel		
i)	Mr. Narasimha Rao Chava	Brother of Dr. Satyanarayana Chava
ii)	Mr. Chandrakanth Chereddi	Son-in-Law of Dr. Satyanarayana Chava
iii)	Mr. Krishna Chaitanya Chava	Son of Dr. Satyanarayana Chava
iv)	Mrs. Soumya Chava	Daughter of Dr. Satyanarayana Chava

Transactions during the year:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Associate companies		
i) ImmunoAdoptive Cell Therapy Private Limited		
Investment made	80.02	18.40
ii) Ethan Energy India Private Limited		
Investment made	-	3.90
Performance guarantee deposit received	-	3.73
Purchase of solar power	4.14	-
b) Enterprise over which Key Management Personnel exercise significant influence		
i) Chemiasoft Private Limited		
Software maintenance	2.67	1.76
ii) HRV Global Life Sciences Private Limited		
Sale of goods	2.24	1.16

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Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
iii)	**Laurus Charitable Trust**		
	Donations	0.94	0.36
	CSR expenditure	22.79	10.48
iv)	**Kapston Facilities Management limited**		
	Factory maintenance	2.65	2.34
v)	**Sterotherapeutics, LLC**		
	Sale of goods	0.04	0.08
vi)	**NSN Investments**		
	Rent	4.57	3.40
	Reimbursement of expenses	1.00	0.21
c)	**Key Management Personnel**		
i)	**Dr. Satyanarayana Chava**		
	Remuneration	12.01	10.93
ii)	**Mr. V.V. Ravi Kumar**		
	Remuneration	4.04	3.67
	Rent	0.11	0.10
iii)	**Dr. C.V. Lakshmana Rao**		
	Remuneration	2.71	2.45
iv)	**Mr. Chandrakanth Chereddi**		
	Independent directors fee	0.22	0.40
	Sitting fee	0.05	0.09
v)	**Mrs. Aruna Bhinge**		
	Independent directors fee	0.20	0.20
	Sitting fee	0.11	0.06
vi)	**Dr. Rajesh Koshy Chandy**		
	Independent directors fee	0.33	0.33
	Sitting fee	0.08	0.06
vii)	**Dr. Venugopala Rao Malempati**		
	Independent directors fee	0.20	0.20
	Sitting fee	0.06	0.05
viii)	**Dr. Ravindranath Kancherla**		
	Independent directors fee	0.20	0.20
	Sitting fee	0.05	0.05
ix)	**Mr. G.Venkateswar Reddy**		
	Remuneration	0.84	0.67
d)	**Relatives of Key Management Personnel**		
i)	**Mr. Narasimha Rao Chava**		
	Remuneration	1.53	1.16
ii)	**Mr. Krishna Chaitanya Chava**		
	Remuneration	1.96	1.56
iii)	**Mrs. Soumya Chava**		
	Remuneration	0.77	-
	Rent	0.22	0.21

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crorer rupees except for share data or as otherwise stated)

Closing balances (Unsecured)

Particulars			For the year ended March 31, 2024	For the year ended March 31, 2023
a)	**Enterprise over which Key Management Personnel exercise significant influence**			
	i)	**Chemiasoft Private Limited**		
		Trade payables	0.11	-
	ii)	**HRV Global Life Sciences Private Limited**		
		Trade receivable	0.71	0.39
	iii)	**Kapston Facilities Management limited**		
		Trade payables	0.19	0.17
	iv)	**Sterotherapeutics, LLC**		
		Trade receivable	0.04	-
	v)	**NSN Investments**		
		Security Deposit	0.92	0.92
b)	**Key Management Personnel**			
	i)	**Dr. Satyanarayana Chava**		
		Remuneration payable	-	0.41
	ii)	**Mr. V.V. Ravi Kumar**		
		Remuneration payable	-	0.14
		Rent payable	0.01	0.01
	iii)	**Dr. C.V. Lakshmana Rao**		
		Remuneration payable	-	0.09
	iv)	**Mr. Rajesh Chandy**		
		Remuneration payable	0.11	-
	v)	**Mrs. Aruna Bhinge**		
		Remuneration payable	0.01	-
	vi)	**Mr. G.Venkateswar Reddy**		
		Remuneration payable	0.12	0.11
c)	**Relatives of Key Management Personnel**			
	i)	**Mr. Narasimha Rao Chava**		
		Remuneration payable	0.26	0.22
	ii)	**Mr. Krishna Chaitanya Chava**		
		Remuneration payable	0.32	0.25
	iii)	**Mrs. Soumya Chava**		
		Remuneration payable	0.15	-
		Rent payable	0.02	0.02

The advance given to subsidiaries are in the nature of trade advances against orders for supply of goods & services and hence not disclosed as required under regulation 53 (f) read with para A of Schedule V of Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015.

As the future liability for gratuity and leave encashment is provided on an actuarial basis for the Group as a whole, the amount pertaining to the Key Management personnel and their relatives is not ascertainable and, therefore, not included above.

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. Outstanding balances at the year-end are unsecured.

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

33. Significant accounting judgements, estimates and assumptions

The preparation of the Group's Consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed in notes to financial statements.

(i) Taxes

The Group has a Minimum Alternate Tax (MAT) credit of ₹0.66 as on March 31, 2024 (March 31, 2023: ₹0.87). The Group recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The Group based on its future projections of profit believes that the MAT credit would be utilised by financial year 2024-25. During the year ended March 31, 2023, the Holding Company elected to exercise the option permitted under Section 115BAA of the Income-Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Holding Company has recognised provision for income tax for the year ended March 31, 2023 and remeasured its deferred tax assets/liabilities based on the rate prescribed in the said Section.

(ii) Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimation requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The Black Scholes valuation model has been used by the Management for share-based payment transactions. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 29.

(iii) Defined employee benefit plans (Gratuity)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. 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.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Further details about gratuity obligations are given in Note 28.

(iv) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow ('DCF') model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 34, 35 and 36 for further disclosures.

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crorer rupees except for share data or as otherwise stated)

(v) Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives and residual values of all its property, plant and equipment estimated by the management. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment, though these rates in certain cases are different from lives prescribed under Schedule II of the Companies Act, 2013.

(vi) Impairment of goodwill

The Group estimates the value-in-use of the cash generating units (CGUs) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The discount rates used for the CGUs represent the weighted average cost of capital based on the historical market returns of comparable companies.

(vii) Recognition and measurement of other provisions:

The recognition and measurement of other provisions is based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the closing date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

(viii) Impairment of non-financial assets - Refer Note (2(l))

(ix) Inventories - Refer Note (2(k))

(x) Leases: whether an arrangement contains a lease; lease classification- Refer Note (2(i))

(xi) Contingent liabilities: Measurement and likelihood of occurrence of provisions and contingencies.- Refer Note (39(c))

(xii) Revenue and receivables - Refer Note (2 (e) and 2(p))

34. Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying value		Fair value	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Financial assets at fair value through profit or loss:				
Investments	3.41	3.41	3.41	3.41
Derivative contracts	0.22	0.98	0.22	0.98
Financial assets at cost (net of share of loss):				
Investments	120.57	46.49	120.57	46.49
Financial assets at amortised cost:				
Loans	0.95	0.97	0.95	0.97
Other financial assets	56.20	65.72	56.20	65.72
Trade receivables	1,662.92	1,580.44	1,662.92	1,580.44
Cash and cash equivalents	138.94	45.67	138.94	45.67
Other balances with banks	2.71	2.79	2.71	2.79
Financial liabilities at amortised cost:				
Borrowings (Non-current and current)	2,507.05	1,971.97	2,507.05	1,971.97
Interest accrued	9.31	8.62	9.31	8.62
Trade payables	1,051.24	710.65	1,051.24	710.65
Capital creditors and others	129.45	183.71	129.45	183.71
Lease liabilities	70.35	43.12	70.35	43.12
Gross obligation liability to acquire Non-controlling interest	42.33	91.20	42.33	91.20

The management assessed that cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Further, the management has assessed that fair value of borrowings approximate their carrying amounts largely since they are carried at floating rate of interest.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

35. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2024:

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets at fair value through profit and loss:					
Investments	March 31, 2024	3.41	-	-	3.41
Financial assets at fair value through profit and loss:					
Derivative financial instruments	March 31, 2024	0.22	-	0.22	-

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at March 31, 2023:

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets at fair value through profit and loss:					
Investments	March 31, 2023	3.41	-	-	3.41
Financial assets at fair value through profit and loss:					
Derivative financial instruments	March 31, 2023	0.98	-	0.98	-

Measurement of fair value

Valuation techniques

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for assets and liabilities carried at fair value through profit or loss.

Type	Valuation Technique
Assets measured at fair value:	
Investments	Discounted cash flow method
Derivative financial instruments	The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curve in reporting currency.

36. Financial risk management objectives and policies

Financial Risk Management Framework

The Group is exposed primarily to Credit risk, liquidity risk and market risk (fluctuations in foreign currency exchange rates and interest rate), which may adversely impact the fair value of its financial instruments. The Group assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Group.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Group result in material concentration of credit risk, except for trade receivables.

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for the year ended March 31, 2024

(All amounts in crorer rupees except for share data or as otherwise stated)

Trade receivables:

The customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on the individual credit limits are defined in accordance with this assessment and outstanding customer receivables are regularly monitored. Of the trade receivables balance, ₹538.10 in aggregate (as at March 31, 2023 ₹487.71 is due from the Group's customers individually representing more than 5% of the total trade receivables balance and accounted for approximately 32%(March 31, 2023: 31%) of all the receivables outstanding. The Group' receivables turnover is quick and historically, there was no significant defaults on account of those customer in the past. Ind AS requires an entity to recognise in profit or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with Ind AS 109. The Group assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 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. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed on periodic basis. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk includes the carrying amount of balances with trade receivables and other financial assets.

Other than trade receivables the Company has no significant class of financial assets that is past due but not impaired.

Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	Up to 1 Year	1 to 3 years	3 to 5 years	> 5 years	Total
March 31, 2024:					
Non-current borrowings (including current maturities)	319.52	613.08	155.16	30.00	1,117.76
Current borrowings	1,389.29	-	-	-	1,389.29
Interest accrued	9.31	-	-	-	9.31
Trade payables	1,051.24	-	-	-	1,051.24
Other payables	129.45	-		-	129.45
Gross obligation liability to acquire Non-controlling interest	-	42.33	-	-	42.33
	2,898.81	**655.41**	**155.16**	**30.00**	**3,739.38**
March 31, 2023:					
Non-current borrowings (including current maturities)	247.25	681.49	47.46	-	976.20
Current borrowings	995.77	-	-	-	995.77
Interest accrued	8.62	-	-	-	8.62
Trade payables	710.65	-	-	-	710.65
Other payables	183.71	-		-	183.71
Gross obligation liability to acquire Non-controlling interest	-	-	91.20	-	91.20
	2,146.00	**681.49**	**138.66**	**-**	**2,966.15**

Excludes lease liabilities. Refer note no. 39A for contractual cash flows relating leases

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Group's exposure to market risk is primarily on account of foreign currency exchange rate risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. In order to optimise the Group's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Group's profit before tax is affected through the impact on borrowings, as follows:

Particulars	Change in basis points		Effect on profit before tax	
	Increase	Decrease	Decrease	Increase
March 31, 2024				
Indian Rupees	0.50%	0.50%	(9.26)	9.26
US Dollars	0.50%	0.50%	(1.88)	1.88
March 31, 2023				
Indian Rupees	0.50%	0.50%	(7.01)	7.01
US Dollars	0.50%	0.50%	(3.36)	3.36

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

Foreign Currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the Statement of Profit and Loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar against the functional currencies of the Group. The Group, as per its risk management policy, uses derivative instruments primarily to hedge foreign exchange. The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies. The information on derivative instruments is as follows:

a) Forward Contract (Derivatives):

Forward contract outstanding as at Balance Sheet date:

March 31, 2024 Sell US $ 10,000,000	Designated as fair value hedge - receivables
March 31, 2024 Sell ZAR 2,74,87,587.24	Designated as fair value hedge - receivables
March 31, 2023 Sell US $ 45,000,000	Designated as fair value hedge - receivables

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(All amounts in crorer rupees except for share data or as otherwise stated)

b) Details of Unhedged Foreign Currency Exposure:

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under:

Particulars	Currency	March 31, 2024			March 31, 2023		
		Amount in Foreign currency	Amount in ₹	Conversion rate	Amount in foreign currency	Amount in ₹	Conversion rate
Secured loans	USD	32,207,468	268.53	83.37	49,024,390	403.06	82.22
Unsecured loans	USD	6,344,535	52.90	83.37	7,322,340	60.20	82.22
Interest accrued but not due on borrowings	USD	261,090	2.18	83.37	300,126	2.47	82.22
Trade payables	USD	26,401,421	220.12	83.37	16,565,841	136.20	82.22
	EURO	761,514	6.87	90.22	230,088	2.06	89.61
	GBP	28,917	0.30	105.29	31,660	0.32	101.87
	CHF	-	-	92.09	3,507	0.03	89.70
Capital creditors	USD	306	0.00	83.37	91,608	0.75	82.22
	GBP	-	-	105.29	13,887	0.14	101.87
	EURO	44,808	0.40	90.22	5,391	0.05	89.61
Trade receivables	USD	70,793,674	590.23	83.37	55,564,229	456.83	82.22
	EURO	7,602,959	68.59	90.22	5,874,165	52.64	89.61
	GBP	67,207	0.71	105.29	65,957	0.67	101.87
	CAD	618,149	3.79	61.33	2,530,203	15.35	60.65
	JPY	-	-	0.55	250,000	0.02	0.62
Cash and cash equivalents*	USD	5,077,586	42.33	83.37	64	0.00	82.22
	JPY	2,000	0.00	0.55	11,000	0.00	0.62

*Amount less than Indian Rupees 100,000

c) Foreign currency sensitivity:

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives. The Group's exposure to foreign currency changes for all other currencies is not material.

	Change in forex rate		Effect on profit before tax	
	Increase	Decrease	Increase/ (Decrease)	
March 31, 2024				
USD	1.00%	1.00%	0.89	(0.89)
EURO	1.00%	1.00%	0.61	(0.61)
March 31, 2023				
USD	1.00%	1.00%	(1.46)	1.46
EURO	1.00%	1.00%	0.51	(0.51)

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37. Group Information

Information about subsidiaries and associates

The consolidated financial statements of the Group includes subsidiaries listed in the table below:

Name	Principal activities	Country of incorporation	March 31, 2024	March 31, 2023
Sriam Labs Private Limited	Active Pharmaceutical Ingredients (APIs) and Intermediates	India	100 %	100 %
Laurus Synthesis Private Limited (Refer note 5)	Contract Development & Manufacturing Organisation (CDMO)	India	100 %	100 %
Laurus Bio Private Limited (Refer note 3)	Develops novel enzymatic solutions for Industrial Biotechnology and Animal Origin Free recombinant proteins and enzymes for Biopharma.	India	91.14 %	76.60 %
Laurus Holdings Limited	Business support services in the fields of pharmaceuticals	UK	100 %	100 %
Laurus Generics Inc.	Pharmaceutical and related services	USA	100 %	100 %
Laurus Generics GmbH	Pharmaceutical and related services	Germany	100 %	100 %
Laurus Generics SA (Pty) Ltd.	Pharmaceutical and related services	South Africa	100 %	100 %
Laurus Specialty Chemicals Private Limited (Refer note 1)	Pharmaceutical and related services	India	100 %	100 %
Immunoadoptive Cell Therapy Private Limited (Refer note 4)	Advanced cell and gene therapy	India	34.89 %	27.57 %
Ethan Energy India Private Limited (Refer note 2)	Power generation	India	26.00 %	26.00 %

1) During the year ended March 31, 2023, the Company incorporated wholly owned subsidiary, Laurus Specialty Chemicals Private Limited (LSCPL) in India on December 01, 2022. LSCPL has not commenced its operations and no share capital has been infused as at March 31, 2023.

2) Pursuant to investment agreement entered into by the Company with Ethan Energy India Private Limited (Ethan Energy), capital contributions have been made into Ethan Energy in terms of the aforesaid agreement during the quarter ended March 31, 2023. The Company has accounted for its investment in Ethan Energy as an associate w.e.f January 03, 2023.

3) During the year ended March 31, 2024, the Company acquired additional 14.54% stake in Laurus Bio Private Limited (LBPL) for a purchase consideration of ₹71.60 crores. Consequently, the total shareholding in LBPL has increased to 91.14%. (As on March 31, 2023, the Company holds 76.60%).

4) During the year ended March 31, 2024, Pursuant to the investment agreement entered into by the Company with Immunoadoptive Cell Therapy Private Limited (ImmunoAct), the Company made further capital contribution towards tranche 1 of Series B Compulsorily convertible preference shares (CCPS) amounting to ₹48.01 crores during the quarter ended September 30, 2023 and ₹32.01 crores towards tranche 2 of Series B CCPS during the quarter ended March 31,2024 in ImmunoAct. Accordingly, the Company's stake in ImmunoAct has increased to 34.89% as on March 31, 2024. (As on March 31, 2023, the Company holds 27.57%)

5) During the year ended March 31, 2024 , the Company infused further equity into Laurus Synthesis Private Limited by subscribing to rights issue offered for acquiring 7,600 equity shares of ₹10 each for a consideration of ₹99.13 crores.

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38. Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. The Group monitors capital using a gearing ratio, which is net debt divided by total equity. The Group intends to keep the gearing ratio between 0.4 to 1.5.The Group includes within net debt, borrowings including interest accrued on borrowings, less cash and short-term deposits.

Particulars	March 31, 2024	March 31, 2023
Borrowings including interest accrued on borrowings (Note 13)	2,516.36	1,980.59
Less: cash and cash equivalents; other balances with banks (Note 10A and 10B)	(141.65)	(48.46)
Net debt	**2,374.71**	**1,932.13**
Equity	107.79	107.73
Other equity	4,003.16	3,929.80
Total Equity	**4,110.95**	**4,037.53**
Gearing ratio (Net debt/ Total equity)	0.58	0.48

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2024.

39. Commitments and Contingencies

A. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Operating lease commitments - Group as lessee

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. 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 asset. The estimated useful lives of right-ofuse assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

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(All amounts in crores rupees except for share data or as otherwise stated)

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2024 and March 31, 2023

Particulars	March 31, 2024	March 31, 2023
Opening Balance	133.43	138.05
Additions	56.56	3.08
Depreciation	(11.67)	(7.70)
Closing Balance	**178.32**	**133.43**

The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the statement of profit and loss

The following is the movement in lease liabilities during the year ended March 31, 2024 and March 31,2023

Particulars	March 31, 2024	March 31, 2023
Opening Balance	43.12	44.63
Additions	56.56	3.08
Finance cost accrued during the year	3.96	3.23
Payment of lease liabilities	(33.29)	(7.83)
Closing Balance	**70.35**	**43.12**

The following is the break-up of current and non-current lease liabilities as at March 31, 2024 and March 31, 2023

Particulars	March 31, 2024	March 31, 2023
Non-current lease liabilities	62.16	37.44
Current lease liabilities	8.19	5.68
Total	**70.35**	**43.13**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2024 and March 31,2023 on discounted basis

Particulars	March 31, 2024	March 31, 2023
Within one year	8.19	5.68
After one year but not more than five years	42.67	29.90
More than five years	19.49	7.54
	70.35	**43.12**

B. Commitments

Particulars	March 31, 2024	March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for	260.22	342.65

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crorer rupees except for share data or as otherwise stated)

C. Contingent Liabilities

Particulars		March 31, 2024	March 31, 2023
(i)	Outstanding bank guarantees (excluding performance obligations)	70.78	79.89
(ii)	Claims arising from disputes not acknowledged as debts - direct taxes	16.02	8.24
(iii)	Claims arising from disputes not acknowledged as debts - indirect taxes	59.55	56.53
(iv)	On account of provident fund liability	7.57	7.57

40. Other statutory information

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

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

iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

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

v) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

vi) 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 Group (Ultimate Beneficiaries) or

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

vii) 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 Group shall:

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

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

viii) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crores rupees except for share data or as otherwise stated)

41. Summary of net assets and profit and loss:

Name of the entity	Net Assets*				Share in Profit/ (Loss)				Share in other comprehensive income				Share in total comprehensive income			
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated profit/ (loss)	Amount	As % of consolidated profit/ (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
	March 31, 2024		March 31, 2023		March 31, 2024		March 31, 2023		March 31, 2024		March 31, 2023		March 31, 2024		March 31, 2023	
A. Parent	102.22%	4,207.05	99.05%	4,010.33	132.99%	223.70	95.45%	760.38	85.39%	(0.76)	136.21%	0.79	139.86%	222.94	96.62%	761.17
B. Subsidiary incorporated in India																
Sriam Labs Private Limited	1.35%	55.75	1.14%	46.01	5.81%	9.77	0.99%	7.91	4.49%	(0.04)	-1.72%	(0.01)	6.10%	9.73	1.00%	7.90
Laurus Synthesis Private Limited	2.69%	110.87	1.00%	40.68	-17.17%	(28.89)	2.79%	22.21	5.62%	(0.05)	-1.72%	(0.01)	-18.16%	(28.94)	2.82%	22.20
Laurus Bio Private Limited	1.28%	52.52	1.19%	48.16	2.61%	4.39	1.78%	14.19	4.49%	(0.04)	-32.76%	(0.19)	2.73%	4.35	1.78%	14.00
Laurus Specialty Chemicals Private Limited	0.00%	0.10	0.00%	0.10	-	-	-	-	-	-	-	-	-	-	-	-
C. Subsidiary incorporated outside India																
Laurus Holdings Limited	-0.06%	(2.35)	0.32%	13.10	-8.69%	(14.62)	-0.93%	(7.40)	-	-	-	-	-9.17%	(14.62)	-0.94%	(7.40)
Laurus Generics SA (Pty) Limited	0.26%	10.72	0.66%	26.71	-8.82%	(14.84)	0.69%	5.51	-	-	-	-	-9.31%	(14.84)	0.70%	5.51
Total	**107.75%**	**4,434.66**	**103.37%**	**4,185.10**	**106.72%**	**179.51**	**100.77%**	**802.80**	**100.00%**	**(0.89)**	**100.00%**	**0.58**	**112.06%**	**178.62**	**101.98%**	**803.38**
Non-controlling interest	0.11%	4.62	0.27%	11.13	1.02%	1.72	0.42%	3.32	-	-	-	-	1.08%	1.72	0.42%	3.32
D. Associate																
Immunoadoptive Cell Therapy Private Limited	N.A	N.A	N.A	N.A	-3.14%	(5.29)	-0.36%	(2.85)	-	-	-	-	-	-	-	-
Ethan Energy India Private Limited	N.A	N.A	N.A	N.A	-0.39%	(0.65)	-0.04%	(0.36)								
Consolidation adjustments	-7.87%	(323.71)	-3.64%	(147.57)	-4.21%	(7.08)	-0.79%	(6.27)	-	-	-	-	-13.14%	(20.94)	-2.40%	(18.90)
Net amount	**100.00%**	**4,115.57**	**100.00%**	**4,048.66**	**100.00%**	**168.21**	**100.00%**	**796.64**	**100.00%**	**(0.89)**	**100.00%**	**0.58**	**100.00%**	**159.40**	**100.00%**	**787.80**

* Net assets means total assets minus total liabilities excluding shareholders funds.

Note:

The disclosure as above represents separate information for each of the consolidated entities before elimination of inter-company transactions. The net impact on elimination of inter-company transactions/profits/consolidation adjustments have been disclosed separately. Based on the group structure, the management is of the view that the above disclosure is appropriate under requirements of the Companies Act, 2013.

Notes to Financial Statements

for the year ended March 31, 2024

(All amounts in crorer rupees except for share data or as otherwise stated)

42. The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

For and on behalf of the Board of Directors
LAURUS LABS LIMITED

Dr. Satyanarayana Chava
Executive Director & Chief Executive Officer
DIN: 00211921

V.V. Ravi Kumar
Executive Director & Chief Financial Officer
DIN: 01424180

G.Venkateswar Reddy
Company Secretary

Place: Hyderabad
Date: April 25, 2024

Notice

Notice is hereby given that the 19th Annual General Meeting of the Members of Laurus Labs Limited (the "Company") will be held through Video Conferencing (VC) **at 3.00 p.m. on Thursday the 11th day of July 2024,** to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2024, the reports of Board of Directors and Auditors thereon

2. To consider and adopt the audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2024 and report of Auditors thereon.

3. To approve and ratify the interim dividend on equity shares @ ₹0.40 per share already paid for the Financial Year 2023-24.

4. To approve and ratify the 2nd interim dividend on equity shares @ ₹0.40 per share already paid for the Financial Year 2023-24.

5. To appoint a Director in place of Mr. V V Ravi Kumar (DIN 01424180) who retires by rotation and, being eligible, offers himself, for re-appointment.

SPECIAL BUSINESS:

6. TO APPROVE THE REMUNERATION PAYABLE TO COST AUDITORS FOR THE FINANCIAL YEAR ENDING 2024-25

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 Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Cost Auditors, M/s. Sagar & Associates, appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2023-24, be paid a remuneration of ₹5,50,000/- (Rupees Five lakh and Fifty thousand only) per annum and out of pocket & other expenses and GST at actuals."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution."

7. APPOINTMENT OF Mr. KRISHNA CHAITANYA CHAVA AS DIRECTOR

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** in terms of Section 161 and other applicable provisions of the Companies Act, 2013 together with applicable rules and provisions made thereunder and in terms of Articles of Association of the Company, consent of the Members of the Company be and is hereby accorded for appointment of Mr. Krishna Chaitanya Chava, having Director Identification Number 06831883, as Director of the Company whose period of office is liable to determination by retirement of directors by rotation u/s. 152 of the Companies Act, 2013"

"RESOLVED FURTHER THAT Dr. Satyanarayana Chava, CEO of the Company, Mr. VV Ravi Kumar, Executive Director & CFO of the Company and Mr. G. Venkateswar Reddy, Company Secretary of the Company be and are hereby severally authorised to do all the needful activities in this regard including any filings with the Registrar of Companies, Andhra Pradesh"

8. APPOINTMENT OF Ms. SOUMYA CHAVA AS DIRECTOR

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** in terms of Section 161 and other applicable provisions of the Companies Act, 2013 together with applicable rules and provisions made thereunder and in terms of Articles of Association of the Company, consent of the Members of the Company be and is hereby accorded for appointment of Ms. Soumya Chava, having Director Identification Number 06831892, as Director of the Company whose period of office is liable to determination by retirement of directors by rotation u/s. 152 of the Companies Act, 2013"

"RESOLVED FURTHER THAT Dr. Satyanarayana Chava, CEO of the Company, Mr. VV Ravi Kumar, Executive Director & CFO of the Company and Mr. G. Venkateswar Reddy, Company Secretary of the Company be and are hereby severally authorised to do all the needful activities in this regard including any filings with the Registrar of Companies, Andhra Pradesh"

9. TO APPROVE THE APPOINTMENT OF MR. KRISHNA CHAITNANYA CHAVA (DIN 06831883) AS EXECUTIVE DIRECTOR OF THE COMPANY

To consider and, if thought fit, to pass the following resolution with or without modifications, as Special Resolution:

"RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company and in accordance with sections 196, 197, 198, 203 and all other applicable provisions of the Companies Act 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or reenactment thereof for the time being in force) read with Schedule V to the Act, as amended from time to time, and pursuant to Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015, consent of the members of the Company be and is hereby accorded for the appointment of Mr. Krishna

Chaitanaya Chava, having Director Identification Number 06831883, as Executive Director of the Company, whose office will be liable to determination by retirement by rotation, for a period of five (05) years effective from April 25, 2024 up to April 24, 2029 on the following remuneration terms and conditions:

(a) Salary:

The Executive Director's aggregate salary shall be ₹1,60,00,000 (Rupees one crore and sixty lakhs only) per annum payable in 12 (twelve) monthly instalments (**"Annual Salary"**). The aforesaid salary shall be subject to deductions for income tax, contributions to provident fund, gratuity fund or superannuation fund and all other statutory deductions required to be made by the Company in accordance with applicable Laws. The Annual Salary shall stand increased by 10% every financial year (effective from April 1, of each year and the first due date for such increment shall be April 1, 2025).

(b) Business Expenses:

The Executive Director shall be reimbursed by the Company for all reasonable out of pocket expenses incurred pertaining to or in connection with the performance of his duties in line with the Company's expenses policy. In the event, the Executive Director is required to travel, whether within India or abroad in relation to the obligations imposed on the Executive Director, such travel shall be in accordance with the Company travel policy.

(c) Annual Bonus:

(i) The Company shall pay the Executive Director a bonus of 25% of his Annual Salary as may be determined in accordance with (ii) below, based upon achievement of performance criteria in respect of each completed financial year with effect from April 1, 2024.

(ii) For every financial year, the Executive Director shall be eligible to receive a bonus (which shall be paid immediately upon the Board approving the audited accounts of the Company for the corresponding financial year) based upon the Company's achievement of the consolidated EBITDA projection for a financial year (on the basis that the consolidated non-interest financial charges are deducted while calculating the consolidated EBITDA and any EBITDA from acquisitions during the year be excluded, if it is so included in the consolidated EBITDA) ("**Target**") in the following manner:

(A) Less than 75% of the Target = zero bonus;

(B) 75% or more of the Target = bonus equal to the percentage of the Target achieved multiplied by the 25% of Annual Salary (as increased on a yearly basis),

(d) Leave entitlement

During the Term, the Executive Director shall be entitled (in addition to the usual public and bank holidays) to 20 (twenty) calendar days' of paid leave in each year as per the Company policy.

(e) Benefits

The Executive Director shall be entitled to participate, along with the other employees of the Company, in any of the employee benefit and compensation plans, whether statutory or otherwise, as may be generally available to employees of the Company including car, leave travel allowance, gratuity, medical, health, insurance plans but excluding employee stock option plans. The Executive Director shall be provided with one recognised club membership of his choice for himself and his family at Hyderabad and the Executive Director shall inform the Board of his choice."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) and / or Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

10. TO APPROVE THE APPOINTMENT OF MS. SOUMYA CHAVA (DIN 06831892) AS EXECUTIVE DIRECTOR OF THE COMPANY

To consider and, if thought fit, to pass the following resolution with or without modifications, as Special Resolution:

"RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company and in accordance with sections 196, 197, 198, 203 and all other applicable provisions of the Companies Act 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or reenactment thereof for the time being in force) read with Schedule V to the Act, as amended from time to time, and pursuant to Regulation 17(.6)(e) of SEBI (LODR) Regulations, 2015, consent of the members of the Company be and is hereby accorded for the appointment of Ms. Soumya Chava, having Director Identification Number 06831892, as Executive Director of the Company, whose office will be liable to determination by retirement by rotation, for a period of five (05) years effective from April 25, 2024 up to April 24, 2029 on the following remuneration terms and conditions:

(a) **Salary:**

The Executive Director's aggregate salary shall be ₹1,04,00,000 (Rupees one crore and four lakhs only) per annum payable in 12 (twelve) monthly instalments (**"Annual Salary"**). The aforesaid salary shall be subject to deductions for income tax, contributions to provident fund, gratuity fund or superannuation fund and all other statutory deductions required to be made by the Company in accordance with applicable Laws. The Annual Salary shall stand increased by 10% every financial year (effective from April 1, of each year and the first due date for such increment shall be April 1, 2025).

(b) **Business Expenses:**

The Executive Director shall be reimbursed by the Company for all reasonable out of pocket expenses incurred pertaining to or in connection with the performance of her duties in line with the Company's expenses policy. In the event, the Executive Director is required to travel, whether within India or abroad in relation to the obligations imposed on the Executive Director, such travel shall be in accordance with the Company travel policy.

(c) **Annual Bonus:**

(i) The Company shall pay the Executive Director a bonus of 25% of Annual Salary as may be determined in accordance with (ii) below, based upon achievement of performance criteria in respect of each completed financial year with effect from April 1, 2024.

(ii) For every financial year, the Executive Director shall be eligible to receive a bonus (which shall be paid immediately upon the Board approving the audited accounts of the Company for the corresponding financial year) based upon the Company's achievement of the consolidated EBITDA projection for a financial year (on the basis that the consolidated non-interest financial charges are deducted while calculating the consolidated EBITDA and any EBITDA from acquisitions during the year be excluded, if it is so included in the consolidated EBITDA) ("**Target**") in the following manner:

(A) Less than 75% of the Target = zero bonus;

(B) 75% or more of the Target = bonus equal to the percentage of the Target achieved multiplied by the 25% of Annual Salary (as increased on a yearly basis),

(d) **Leave entitlement**

During the Term, the Executive Director shall be entitled (in addition to the usual public and bank holidays) to 20 (twenty) calendar days' of paid leave in each year as per the Company policy.

(e) **Benefits**

The Executive Director shall be entitled to participate, along with the other employees of the Company, in any of the employee benefit and compensation plans, whether statutory or otherwise, as may be generally available to employees of the Company including car, leave travel allowance, gratuity, medical, health, insurance plans but excluding employee stock option plans. The Executive Director shall be provided with one recognised club membership of her choice for herself and her family at Hyderabad and the Executive Director shall inform the Board of her choice."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) and / or Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

11. TO APPROVE THE APPOINTMENT OF MR. KARNAM SEKAR AS INDEPENDENT DIRECTOR FOR A PERIOD OF 5 YEARS

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"**RESOLVED THAT** in terms of Section 149,152 read with Schedule IV of the Companies Act, 2013 together with applicable rules and provisions made thereunder and pursuant to SEBI (LODR) Regulations, 2015 and in terms of Articles of Association of the Company and based on the approval and recommendation of the Nomination and Remuneration Committee, and that of the Board, consent of the Members of the Company be and is hereby accorded for the appointment of Mr. Karnam Sekar having Director Identification Number 07400094, as Independent Director of the Company not liable to retire by rotation, for a first term of 5 (five) years with effect from April 25, 2024 i.e. up to April 24, 2029".

"**RESOLVED FURTHER THAT,** subject to applicable provisions of the Companies Act, 2013 and rules made thereunder, Mr.Karnam Sekar be paid a fixed remuneration of ₹20 lakhs (Rupees Twenty lakhs only) per annum and also be paid a sitting fee for attending board meeting(s) and committee meeting(s), if any on par with other independent directors of the Company".

"**RESOLVED FURTHER THAT** Dr. C. Satyanarayana, Executive Director & CEO of the Company, and Mr. V V Ravi Kumar, Executive Director & CFO of the Company and Mr. G. Venkateswar Reddy, Company Secretary of the Company be and are hereby severally authorised to do all the needful activities in this regard including any filings with the Registrar of Companies, Andhra Pradesh or with any other regulatory authorities".

By order of the Board
Laurus Labs Limited

G. Venkateswar Reddy
Company Secretary

Regd. Office:

Laurus Enclave, Plot Office 01,
E. Bonangi Village,
Parawada Mandal,
Anakapalli District – 531 021
E-mail: secretarial@lauruslabs.com

Place: Hyderabad
Date: April 25, 2024

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business set out above is annexed hereto and forms part of the Notice.

2. Brief resume of Directors proposed to be appointed/re-appointed, (in item nos. 5, 7, 8, 9, 10 & 11) nature of their expertise in specific functional areas, name of companies in which they hold directorships and membership/chairmanships of Board Committees and shareholding in the Company as stipulated under SEBI (LODR) Regulations, 2015 are provided as an Annexure to this notice and also in the Report on Corporate Governance forming part of the Annual Report.

3. In compliance with the MCA and SEBI Circulars to conduct their Annual General Meetings on or before September 30, 2024 through video conferencing (VC) or other Audio Visual Means (OAVMs), the 19th Annual General Meeting of the Company shall be conducted through Video Conferencing (VC) to be referred to as "e-AGM".

4. The Company has appointed M/s. National Securities Depository Limited (NSDL) to provide Video Conferencing facility for the e-AGM.

5. In the e-AGM:

   a. Members can attend the meeting through log in credentials provided to them to connect to Video Conference. Physical attendance of the Members at the Meeting venue is not required.

   b. Appointment of proxy to attend and cast vote on behalf of the member is not available.

   c. Body Corporates are entitled to appoint authorised representatives to attend the e-AGM through VC and participate thereat and cast their votes through e-voting.

6. The Register of Members and Share Transfer Books of the Company will remain closed from July 5, 2024 to July 11, 2024 (both days inclusive) for the purpose of Annual General Meeting.

7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participants with whom they are maintaining their demat accounts.

8. Members are requested to note that the dividend remaining unclaimed for a continuous period of seven years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to the Investor Education and Protection Fund (IEPF). In addition, all equity shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to demat account of the IEPF authority within a period of thirty days of such equity shares becoming due to be transferred to the IEPF. In the event of transfer of equity shares and the unclaimed dividends to IEPF, Members are entitled to claim the same from IEPF authority by submitting an online application in the prescribed Form IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in Form IEPF-5. Members can file only one consolidated claim in a financial year as per the IEPF rules.

9. Pursuant to Rule 5(8) of Investor Education and Protection Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded details of unpaid and unclaimed amounts lying with the Company as on March 31, 2023 on its website at www.lauruslabs.com and also on the website of the Ministry of Corporate Affairs.

10. The Notice calling the e-AGM has been uploaded on the website of the Company at www.lauruslabs.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.

11. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

12. Up to 1000 members will be able to join on a First Come First Serve basis to the e-AGM.

13. No restrictions on account of First Come First Serve basis entry into e-AGM in respect of 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.

14. The attendance of the Members (members' logins) attending the e-AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

15. **Remote e-Voting:** 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), the Company is providing facility of remote e-voting to its Members through e-Voting agency M/s. National Securities Depository Limited (NSDL).

16. Voting at the e-AGM: Members who could not vote through remote e-voting may avail the e-voting system provided in the e-AGM by M/s. National Securities Depository Limited (NSDL).

17. The Statutory Registers and the documents pertaining to the items of business to be transacted at the AGM are available for inspection in electronic mode. The shareholders may write an e-mail to secretarial@lauruslabs.com and the Company shall respond suitably.

Instructions for the Members for attending the e-AGM through Video Conference:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. 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.

5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at secretarial@lauruslabs.com.

6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at secretarial@lauruslabs.com. The same will be replied by the company suitably.

7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

Instructions for members for remote e-Voting

8. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and as per the requirements of the SEBI (LODR) Regulations 2015, your Company is pleased to provide members facility to exercise their right to vote at the 19^{th} Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by M/s. National Securities Depository Limited.

9. The remote e-voting period begins on July 8, 2024 at 09:00 A.M. and ends on July 10, 2024 at 05:00 P.M. and the remote e-voting module shall be disabled by NSDL for voting thereafter.

10. The Instructions for remote voting are as under:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode:

In terms of SEBI circular 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.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	i) Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added 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 i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. ii) If you are 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 iii) 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 i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. iv) Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL.** Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in 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 provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Login type	Helpdesk details
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.com or call at 022 - 4886 7000
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 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. **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.**
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical		Your User ID is:
a)	For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b)	For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c)	For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

- If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

i). After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

ii) Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

iii) Now you are ready for e-Voting as the Voting page opens.

iv) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

v) Upon confirmation, the message "Vote cast successfully" will be displayed.

vi) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

vii) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General guidelines for shareholders

i) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to yravifcs@gmail.com with a copy marked to evoting@nsdl.com.

ii) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

iii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request by email to evoting@nsdl.com

11. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

i) In case shares are held in physical mode please provide 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 secretarial@lauruslabs.com and evoting@nsdl.com.

ii) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to secretarial@lauruslabs.com and evoting@nsdl.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

iii) Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.

iv) In terms of SEBI circular 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 required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

Instructions for members for e-Voting during the e-AGM session:

12. The procedure for e-Voting on the day of the e-AGM is same as the instructions mentioned above for remote e-voting.

13 Only those Members/ shareholders, who will be present in the e-AGM through Video Conference facility and have not casted their vote through remote e-Voting are eligible to vote through e-Voting in the e-AGM and they can exercise their vote while they are connected in the Video Conference by following the guidelines provided therein.

14. However, members who have voted through Remote e-Voting will be eligible to attend the e-AGM.

15. The Board of Directors of the Company has appointed Mr.Y.Ravi Prasada Reddy, Proprietor of RPR Associates, a Practicing Company Secretary, as scrutiniser to scrutinise the remote e-voting process and voting at the meeting in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the said purpose.

16. The voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/ beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. July 4, 2024.

17. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. July 4, 2024 only shall be entitled to avail the facility of remote e-voting/ e-voting at the meeting.

18. Any person who becomes a member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date may obtain the USER ID and Password by sending an e-mail request to evoting@nsdl.com.

19. The Scrutiniser, after scrutinising the votes cast at the meeting and through remote e-voting, will, not later than three days of conclusion of the meeting, make a consolidated Scrutiniser's Report and submit the same to the Chairman. The results declared along with the consolidated scrutiniser's report shall be placed on the website of the Company at www.lauruslabs.com. The results shall simultaneously be communicated to the Stock Exchanges.

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT 2013

Item No.6: To approve the remuneration payable to cost auditors for the financial year ending 2024-25

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. Sagar & Associates, Cost Accountants, as Cost Auditors at a remuneration of ₹5,50,000/- (Rupees Five lakhs and Fifty thousand only) per annum plus out of pocket expenses at actuals and GST, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2025.

In accordance with the provisions of the Section 148 of the Companies Act 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be approved by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.6 of the Notice for approval of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2025.

The Board recommends the resolution set forth in the Item No. 6 of the Notice for approval of the members.

None of the Directors or Key Managerial Personnel or relatives of Directors and Key Managerial Persons are, in any way, concerned or interested, financially or otherwise, in this resolution.

Item No. 9: To approve the appointment of Mr. Krishna Chaitanya Chava as Executive Director of the Company

Mr. Krishna Chaitanya Chava was initially appointed as Assistant Vice President in the year 2017 in the Company and was elevated to the position of President subsequently and is currently heading the Synthesis Business unit of the Company. Under his leadership, Synthesis Business is performing extremely outstanding and contributing for the major revenues of the Company.

Brief Profile of Mr. Krishna Chaitanya Chava is as follows:

Mr. Krishna Chaitanya spearheads the Synthesis division of the Company and has rich work experience in strategy, skill workshops and marketing within the Indian pharma market. He completed his PGP MFAB from Indian School of Business, Hyderabad, has a master's degree in Mechanical Engineering from North Carolina State University, USA and a bachelor's degree in Mechanical Engineering from BITS Pilani, Dubai. Before joining team Laurus, he was associated with M/s. Dr.Reddy's Laboratories Ltd.

Further details of Mr. Krishna Chaitanya Chava, nature of his expertise in specific functional areas, names of companies in which he holds directorships and memberships / chairmanships of Board Committees and shareholding etc. as stipulated under the Listing Regulations, are provided as an Annexure to this notice.

Overall remuneration: The aggregate of salary, allowances, perquisites and performance bonus in any one financial year shall not exceed the limits prescribed under Section 197, 198 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act or any modifications or re-enactment for the time being in force.

Minimum remuneration: In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of the Executive Director, the payment of salary, performance incentives, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013 as may for the time being be in force.

Income-Tax in respect of the above remuneration will be deducted at source as per the applicable Income Tax Laws / Rules.

If at any time the Executive Director ceases to be a Director of the Company, for any reason whatsoever, he shall cease to be the Executive Director and his Agreement with the Company shall stand terminated forthwith.

The above may be treated as a written memorandum setting out the terms & conditions of appointment of Mr. Krishna Chaitanya Chava under Section 190 of the Act.

The Nomination & Remuneration Committee, the Audit Committee and the Board of Directors are of the opinion that Mr. Krishna Chaitanya's vast knowledge and varied experience will be of great value to the Company and has recommended the Resolution of this Notice relating to his appointment as Executive Director of the Company for a period of five years w.e.f. April 25, 2024 and up to April 24, 2029 as a Special Resolution for your approval.

Except Mr. Krishna Chaitanya Chava and Dr. Satyanarayana Chava, Executive Director and Chief Executive Officer being Father of Mr. Krishna Chaitanya Chava and Ms. Soumya Chava proposed Executive Director and sister of Mr.Krishna Chaitanya Chava, none of the other Directors, Key Managerial Personnel or the relatives of Directors and Key Managerial Persons (KMP) are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at item no.9 of the Notice.

Item No. 10: To approve the appointment of Ms. Soumya Chava as Executive Director of the Company

Ms. Soumya Chava was initially appointed as Executive Vice President in the year 2023 spearheading the Commercial Function *(Supply Chain Management and Business Development) of the Company.*

Brief Profile of Ms. Soumya Chava is as follows:

Ms. Soumya has gained overall experience of more than twelve years in the Pharma Industry. Initially, she gained experience in Clinical trial management in Quintiles Transnational and Laurus Infosystems. After her initial working experience, she tried to quench her entrepreneurial zeal. She has conceptualised a jewellery boutique for children, from designing to marketing in the name of Theia Jewellery. She could establish Theia as a good quality and reliable player in this field. With this venture, she gained overall business expertise, including marketing, apart from other facets of the business. Ms. Soumya has been serving as Director since 2021 in Laurus Synthesis Private Limited (a wholly owned subsidiary of Laurus labs) She has also been taking care of the CSR activities of Laurus Charitable Trust for the last one year as Head CSR. With all these, she got familiar with Laurus's business and Laureates.

She has completed her Bachelor of Pharmacy from Osmania University in 2007. In addition, she completed a Master's in Clinical Research and Business Administration from Campbell University, NC, USA, between 2007 and 2010. Ms. Soumya also completed Postgraduate Diploma in Patents Law from Nalsar University of Law, Hyderabad, in 2011.

Further details of Ms. Soumya Chava, nature of her expertise in specific functional areas, names of companies in which she holds directorships and memberships / chairmanships of Board Committees and shareholding etc. as stipulated under the Listing Regulations, are provided as an Annexure to this notice.

Overall remuneration: The aggregate of salary, allowances, perquisites and performance bonus in any one financial year shall not exceed the limits prescribed under Section 197, 198 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act or any modifications or re-enactment for the time being in force.

Minimum remuneration: In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of the Executive Director, the payment of salary, performance incentives, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013 as may for the time being be in force.

Income-Tax in respect of the above remuneration will be deducted at source as per the applicable Income Tax Laws / Rules.

If at any time the Executive Director ceases to be a Director of the Company, for any reason whatsoever, she shall cease to be the Executive Director and her Agreement with the Company shall stand terminated forthwith.

The above may be treated as a written memorandum setting out the terms & conditions of appointment of Ms. Soumya Chava under Section 190 of the Act.

The Nomination & Remuneration Committee, the Audit Committee and the Board of Directors are of the opinion that Ms. Soumya Chava's vast knowledge and varied experience will be of great value to the Company and has recommended the Resolution of this Notice relating to her appointment as Executive Director of the Company for a period of five years w.e.f. April 25, 2024 and up to April 24, 2029 as a Special Resolution for your approval.

Except Ms. Soumya Chava, Dr. Satyanarayana Chava, Executive Director and Chief Executive Officer being Father of Ms. Soumya Chava and Mr.Krishna Chaitanya, being brother and proposed executive director, none of the other Directors, Key Managerial Personnel or the relatives of Directors and Key Managerial Persons (KMP) are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No.10 of the Notice.

Item No. 11: To approve the appointment of Mr. Karnam Sekar as Independent Director for a period of 5 years

The Board, on the recommendation of the Nomination and Remuneration Committee, has approved the appointment of Mr. Karnam Sekar as Independent Director for a first term of 5 years with effect from April 25, 2024.

Brief profile of Mr. Karnam Sekar:

Mr. Karnam Sekar is a business leader with more than four decades of rich experience in the Financial Services industry and with extensive knowledge of Corporate Finance, Treasury Management and Stressed Asset Management.

Notice

He joined as a Probationary Officer with State Bank of India in 1983 and rose to the level of Deputy Managing Director.

Selected as Managing Director of two Public Sector Banks viz., Dena Bank and Indian Overseas Bank, during very critical juncture of their history. He has proven track record of building competent teams and of delivering consistent results. He possesses superior analytical skills complemented by excellent people skills.

He was the Chairman of the board of National Asset Reconstruction Company Ltd., NARCL (May 2022-August 2023), a premier Asset Reconstruction Company in the country. Was instrumental in initial setting up the organisation and commencement of business.

Presently, on the board of three new age NBFCs viz., Incred Financial services Ltd (since July 2022), Incred Prime Finance Ltd (since March 2023) and UGRO Capital Limited (since February 2022). Also on the board of a Merchant Banker viz., Incred Holdings Ltd (Since July 2022).

In terms of Section 149, 152 and 161 read with Schedule IV and other applicable provisions of the Companies Act, 2013, and the rules and regulations issued thereunder, each as amended, (the "Companies Act") Mr. Karnam Sekar, being eligible, is proposed to be appointed as an independent director for a first term period of 5 consecutive years from April 25, 2024 to April 24, 2029. In the opinion of the Board, Mr. Karnam Sekar fulfils the conditions specified in the Companies Act for his appointment as an independent director of the Company and is independent of the management.

Mr. Karnam Sekar, subject to applicable provisions of the Companies Act, 2013 and rules made thereunder, will be entitled for a fixed remuneration of ₹20 lakhs per annum and also he will be entitled for a sitting fee for Board and other Committee meetings, if applicable, like any other independent director is entitled to in the Company.

The Board recommends the resolution in relation to appointment of Mr. Karnam Sekar as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Karnam Sekar, being an appointee, none of the Directors, managers and key managerial personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 11 of the Notice.

By order of the Board
Laurus Labs Limited

G. Venkateswar Reddy
Company Secretary

Regd. Office:
Laurus Enclave, Plot Office 01,
E. Bonangi Village,
Parawada Mandal, Anakapalli District – 531 021
E-mail: secretarial@lauruslabs.com

Place: Hyderabad
Date: April 25, 2024

Annexure

Details of Directors seeking appointment/re-appointment at the 19th Annual General Meeting of the Company to be held on July 11, 2024 [Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Name of the Director	Mr. V V Ravi Kumar	Mr. Karnam Sekar	Mr. Krishna Chaitanya Chava	Ms. Soumya Chava
Date of Birth	01-07-1965	01-07-1960	26-05-1990	29-06-1986
Age	59 Years	64 Years	33 years	37 Years
Date of Appointment	21-01-2006	25-04-2024	25-04-2024	25-04-2024
Relationship with Directors and Key Managerial Personnel	No Relationship	No Relationship	Son of Dr. Satyanarayana Chava, Executive Director & Chief Executive Officer	Daughter of Dr. Satyanarayana Chava, Executive Director & Chief Executive Officer
Expertise in specific functional area*	Finance, Legal, Supply Chain Management and Information Technology	Banking	Marketing, Business Development	Marketing, Supply Chain Management, Business Development
Qualifications	Fellow Member of Institute of Cost Accountants of India (ICWAI), M.Com.	B.Sc (Ag), CAIIB, Diploma in Mgmt. (AIMA)	MS, MBA from ISB	Master's in Clinical Research and Business Administration, Diploma in Patent Law from NALSAR
Names of Listed Entities from which the Director has resigned in the past three years	NIL	NIL	NIL	NIL
Board Membership of other companies as on the date of Notice	Director of: a) Laurus Bio Private Limited b) KRKA Pharma Private Limited	Director of: a) Ugro Capital Limited b) Incred Financial Services Limited c) Incred Prime Finance Limited d) Incred Holdings Limited	Director of: a) Laurus Synthesis Private Limited b) Sriam Labs Private Limited c) Laurus Specialty Chemicals Private Limited d) Chemiasoft Private Limited	Director of: a) Laurus Synthesis Private Limited b) Theia Jewellery Private Limited
Committees Membership of other companies as on the date of Notice	- CSR Committee of Laurus Labs Limited – Chairman - Stakeholders Relationship Committee of Laurus Labs Limited – Member - Risk Management Committee of Laurus Labs Limited – Member	- Chairman of Audit Committee of Laurus Labs Limited - Member of Audit, Nomination and Remuneration and Asset Liability Committee of Ugro Capital Limited - Member of Audit Committee of: e) Incred Financial Services Limited f) Incred Prime Finance Limited g) Incred Holdings Limited	- Member of Risk Management Committee of Laurus Labs Limited - Member of CSR Committee of Sriam Labs Private Limited	- Member of CSR Committee of Laurus Labs Limited & Laurus Synthesis Private Limited - Member of Risk Management Committee of Laurus Labs Limited
Number of equity shares held in the Company as on the date of Notice	77,05,000 Equity Shares (67,05,000 shares held by his Partnership Firm M/s. Leven Holdings and he is representing as a Managing Partner of the Partnership Firm and 10,00,000 shares on his individual name)	Nil	20699	10440

* For additional details on skills, expertise, knowledge and competencies of Directors, please refer to Report on Corporate Governance forming part of the Annual Report

Notes:

1. Information pertaining to remuneration paid to the Directors who are being appointed/ re-appointed and the number of Board Meetings attended by them during the year 2023-24 have been provided in the Report on Corporate Governance forming part of the Annual Report.

Unit-wise KPIs

Unit-wise KPIs	Key performance indicators	Unit-1	Unit-2	Unit-3
Energy Consumed (Values in GJ)	Non-renewable	197,426	475,591	1,480,676
	Renewable	143,627	8,195	31,305
GHG Emissions (Values in tCO_2)	Scope 1	4,066	24,433	100,666
	Scope 2	36,833	31,568	42,874
	Scope 3		85,911	
Water (Values in m^3) Consumption	Withdrawal	297,002	218,613	582,741
	Discharged	218,594	25,900	250,731
Hazardous waste (Values in tons)	HW – Landfillable	884.3	0.0	617.6
	HW – Incinerable	154.4	47.5	448.3
	HW – Recyclable	106.9	162.3	159.0
	HW – utilisable	5,595.8	67.1	7,331.0
	Bio-medical waste	0.0	5.1	4.3
	E-waste	0.3	0.0	0.6
	NonHazardous Waste		11,126	
Materials (tonnes/annum)	Total Recycled Input material	37,531.6	3,296.1	84,961.7
	Raw Materials used	0	16,255.183	66,461
	Associated Materials used	3.6	3.1	130.7
	Semi-manufactured Materials used	46,295.7	4,271.7	21,544.1
	Packaging Materials used	819.6	5,219.5	266.6
Air Emissions (PPM)	Particulate Matter	0.01	57.30	20.86
	SO^2	0.0	217.0	161.1
	NOx	0.14	65.14	40.52
	Others (Including Hazardous Air Emissions, POP, and VOC)	143.3	53.8	0.0
Workplace safety	Fatality	0	0	0
	Near miss incidents	13	8	7
	Absenteeism rate	0	0	0
	LTIFR	0	0	0
Ethics and Compliance (No.)	Complaints received	0	0	0
	Grievances reported	0	0	0
	Whistle blower cases	0	0	0
	Corruption cases	0	0	0
	Bribery Cases	0	0	0
	IT related incidents/ Data breach	0	0	0
	POSH related complaints	0	0	0
	Human rights violations	0	0	0
Workforce	Permanent Employee Count	1,125	1,120	1,224
	Temporary Workforce	1,462	774	1,555

Unit-4	Unit-5	Unit-6	R&D	Total
1,001,462	66,673	102,384	38,062	3,362,274
8,384	0	0	587	192,098
64,006	2,257	2,105	1,250	198,782
32,885	7,996	18,258	6,264	176,678
	87,212			87,212
349,926	50,100	48,488	36,188	1,583,058
44,069	21,458	49,027	8,520	618,299
2,137.4	44.1	2,067.0	2.0	5,752
58.6	14.3	81.4	0.0	805
48.8	0.3	63.1	7.5	548
7,745.1	2,381.5	3,473.0	3.7	26,597
1.3	0.0	2.6	0.0	13
0.0	0.0	0.0	0.0	1
	11,126			11,126
24,180.2	0.0	10,282.5	0.0	160,252
43,749.55	1,175.476	19.896	0	127,661
2.0	0.4	3.4	5.1	148
8,251.2	14,393.9	50,842.5	1,614.0	147,213
122.1	5.1	2,325.3	2.5	8,761
77.89	12.10	2.18	0.03	170
394.6	25.8	0.0	0.0	798
179.00	10.55	0.86	0.18	296
151.4	34.6	0.0	0.0	383
0	0	0	0	0
23	5	16	0	72
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
699	240	415	968	6,007
867	210	482	207	5,557

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Corporate Information

Directors

Dr. Ravindranath Kancherla
Non-Executive Chairman and Independent Director

Dr. Satyanarayana Chava
Executive Director and CEO

Mr. V.V. Ravi Kumar
Executive Director and CFO

Dr. C.V. Lakshmana Rao
Executive Director

Mr. Krishna Chaitanya Chava
Executive Director

Ms. Soumya Chava
Executive Director

Mrs. Aruna Bhinge
Independent Director

Dr. Rajesh Koshy Chandy
Independent Director

Mr. Karnam Sekar
Independent Director

Auditors

M/s. Deloitte Haskins & Sells LLP
Chartered Accountants
KRB Towers, Plot No. 1 to 4& 4A
1st, 2nd & 3rd Floor, Jubilee Enclave
Madhapur, Hyderabad – 500 081

Bankers

State Bank of India

Bank of Bahrain & Kuwait B.S.C.

CITI Bank NA

HDFC Bank Limited

Hongkong and Shanghai Banking Corporation (HSBC)

J.P. Morgan Chase Bank N.A.

RBL Bank Limited

Axis Bank Limited

MUFG Bank Limited

DBS Bank India Limited

Manufacturing Facilities

Registered Office
Laurus Enclave, Plot Office 01, Edulapakabonangi Village, Parawada Mandal, Visakhapatnam, Anakapalli, Andhra Pradesh, 531021

Corporate Office
2nd Floor, Serene Chanbers, Road No. 7, Banjara Hills, Hyderabad, Telangana, 500034

Unit 1
Plot No 21, J N Pharma City, Parawada Village and Mandal, JN Pharmacity, Paravada Industrial Area, Anakapalli, Andhra Pradesh, 531021

Unit 2
APSEZ, Unit-2, Plot No 19, 20 and 21, Gurajapalem Village, Rambilli Mandal, Atchutapuram APSEZ, Anakapalli, Andhra Pradesh, 531011

Unit 3
Plot No 18, J N Pharma City, Parawada Village and Mandal, JN Pharmacity, Paravada Industrial Area, Anakapalli, Andhra Pradesh, 531021

Unit 4
Plot No 25, 25A To 25 K, APSEZ Denotified Area, Lalamkoduru Village, Rambilli Mandal, Atchutapuram APSEZ, Anakapalli, Andhra Pradesh, 531011

Unit 5
Plot No 102 and 103, Visakha Pharmacity Limited SEZ, Lemarth Village, Paravada Industrial Area, Anakapalli, Andhra Pradesh, 531019

Unit 6
Plot No 22 D and 22 E, Denotified Area APSEZ, Gurajapalem and Lalamkodur Villages,Rambilli Mandal, Atchutapuram APSEZ, Anakapalli, Andhra Pradesh, 531011

Unit 8
Plot No. 18B, APSEZ De-Notified Area, Moturupalem, Pudi and Gurajapalem Villages, Rambilli Mandal, Anakapalli – 531 011
Andhra Pradesh, India.

Unit 10
Plot No.18B, APSEZ De-Notified Area, Gurajapalem and Pudi Villages, Rambilli Mandal, Anakapalli – 531 011 Andhra Pradesh, India.

Unit 11
6th Floor, Technopark, Indian Institute of Technology (IIT), Kalyanpur, Kanpur - 208016, Uttar Pradesh

Research & Development Centre (R&D)

Plot No.DS 1&2, IKP Knowledge Park,Genome Valley,Shamirpet Mandal, Turkapally,, Medchal- Malkajgiri , Telangana, 500101

Subsidiaries

Laurus Bio Private Limited
Registered Office and R1 Facility:

Plot No-204 & 237, Bommasandra-Jigani Link Road, KIADB Industrial Area, Bangalore-560105 Karnataka, India

R2 Facility:

Plot No 114, Vasanthanarasapura, 2nd Phase, Industrial Area, Yalladadllu, Kora Hobli, Tumakuru Taluk, Karnataka, India, 572102

Laurus Synthesis Private Limited
Manufacturing Unit-1:
Plot No. 74B, Jawaharlal Nehru Pharma City, Parawada, Visakhapatnam –531 021, Andhra Pradesh, India

Manufacturing Unit-2:

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Registered Office:
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Laurus Generics SA (Pty) Ltd.

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Laurus Generics GmbH

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