Independent Auditor's Report

To the Members
ARAGEN BIOLOGICS PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion:
We have audited the standalone financial statements of ARAGEN BIOLOGICS PRIVATE LIMITED, which comprise the standalone balance sheet as at 31 March 2024, and the standalone statement of profit and loss, standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

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 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit, changes in equity and its cash flows for the year ended on that date.

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

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

Other Information:
The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Directors Report, but does not include the financial statements and auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Managements and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are 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 state of affairs, profit/ loss, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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, the respective Management and Board of Directors are responsible for assessing the ability of the Company 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 intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors are responsible for overseeing the financial reporting process of the Company.

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of Standalone Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. A. As required by Section 143(3) of the Act, we report 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.

   c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows 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 01 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a. The Company did not have any pending litigations as at 31 March 2024, hence there is no impact of pending litigations on the financial position of the Company;

   b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   d. (i) The management of the Company represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(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.

      (ii) The management of the Company represented to us that, to the best of its knowledge and belief, 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 Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) 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 (i) and (ii) above, contain any material misstatement.

e. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable.

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

In our opinion and according to the information and explanations given to us the no remuneration paid by the Company to its directors during the current year.

For Sunil Bhandari & Co
Chartered Accountants
Firm Registration No.:012094S

SUNIL KUMAR BHANDARI

Digitally signed by SUNIL KUMAR BHANDARI
Date: 2024.05.22 15:20:10 +05'30'

Sunil Kumar Bhandari
(Proprietor)
Membership No.: 220868
UDIN: 24220868BKDIDU5309

Date: 22-05-2024
Place: Hyderabad

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of ARAGEN BIOLOGICS PRIVATE LIMITED for the year ended 31 March 2024:

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

(i)(a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i)(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified once in three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(i)(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

(i)(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(i)(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii)(a) There in no inventory available as on 31st March 2024, because the inventory is not maintained due to material procured is charged off to consumption.

(ii)(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits from banks or financial institutions.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not granted secured or unsecured loans to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has not granted any loans or advances and guarantees or security to subsidiaries, joint ventures and associates

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the Company has not granted any loans or advances and guarantees or security to other than subsidiaries, joint ventures and associates.

(c) The Company has not given any loans or any advance in the nature of loans. Accordingly, clause 3(iii)(c),(d),(e),(f) are not applicable.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) Records to be maintained by the Company pursuant to the rules prescribed by Central Government for maintenance of cost records under sub section 1 of Section 148 of the Act is not applicable to the Company.

(vii)(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix)(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, no term loans were availed from banks or financial institutions.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act). The Company does not have associates or joint ventures.

(x)(a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi)(a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, there are no transactions with related parties during the period under audit.

(xiv) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act 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. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

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

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and 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 standalone financial statements, 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 that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx)(a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

(XXI) Consolidated Financial statements are not applicable to this Company. Accordingly, clause3(xxi) of the Order is not applicable.

For Sunil Bhandari & Co
Chartered Accountants
Firm Registration No.:012094S
SUNIL KUMAR BHANDARI
Digitally signed by SUNIL KUMAR BHANDARI
Date: 2024.05.22 15:20:48 +05'30'
Sunil Kumar Bhandari
(Proprietor)
Membership No.: 220868
UDIN: 24220868BKDIDU5309

Date: 22.05.2024
Place: Hyderabad

Annexure B to the Independent Auditor's Report on the standalone financial statements of for the year ended 31 March 2024

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of ARAGEN BIOLOGICS PRIVATE LIMITED as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Managements and Board of Directors' Responsibilities for Internal Financial Controls

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

Auditor's Responsibility

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For Sunil Bhandari & Co
Chartered Accountants
Firm Registration No.:012094S

SUNIL KUMAR BHANDARI
Digitally signed by SUNIL KUMAR BHANDARI
Date: 2024.05.22 15:21:20 +05'30'

Sunil Kumar Bhandari
(Proprietor)
Membership No.: 220868
UDIN: 24220868BKDIDU5309

Date: 22.05.2024
Place: Hyderabad

Aragen Biologics Private Limited
Standalone Balance Sheet as at 31 March 2024
(All amounts in ₹ lakhs, except share data, unless otherwise stated)

Particulars	Notes	As at 31 March 2024
Assets		
Non-current assets		
Property, plant and equipment	3	3,462.80
Capital work-in-progress	3	103.68
Other intangible assets	4	6.77
Right-of-use assets	3A	1,042.73
Financial assets		
- Other financial assets	5	0.10
Deferred tax assets (net)	20	43.78
Non-current tax assets (net)	20	3.55
Other non-current assets	8	1,337.68
Total non-current assets		**6,001.09**
Current assets		
Financial assets		
- Trade receivables	6	28.27
- Cash and cash equivalents	7	540.81
- Bank balances other than cash and cash equivalents		-
- Other financial assets	5	8.16
Other current assets	8	2.48
Total current assets		**579.72**
Total assets		**6,580.81**
Equity and liabilities		
Equity		
Equity share capital	9	2,000.00
Other equity	10	(200.33)
Total Equity		**1,799.67**
Liabilities		
Non-current liabilities		
Financial liabilities		
- Lease liabilities	3A	1,056.98
Provisions	11	7.14
Total non-current liabilities		**1,064.12**
Current liabilities		
Financial liabilities		
- Lease liabilities	3A	27.01
- Trade payables	12	
-Total outstanding dues of micro and small enterprises		-
-Total outstanding dues of creditors other than micro and small enterprises		29.23
- Other financial liabilities	13	3,644.47
Provisions	11	5.77
Current tax liabilities (net)	20	-
Other current liabilities	14	10.54
Total current liabilities		**3,717.02**
Total liabilities		**4,781.14**
Total equity and liabilities		**6,580.81**
Company background & Material accounting policy information	1 & 2	

The notes referred to above form an integral part of these standalone financial statements.
As per our Report on Standalone Financial Statements of even date attached

for Sunil Bhandari & co.
Chartered Accountants
ICAI Firm Registration No: 012094S

SUNIL KUMAR BHANDARI
Digitally signed by SUNIL KUMAR BHANDARI
Date: 2024.05.22 15:21:50 +05'30'

Sunil Kumar Bhandari
Partner
Membership No. 220868

Place: Hyderabad
Date: 22/05/2024

for and on behalf of the Board of Directors of
Aragen Biologics Private Limited
CIN: U21001TS2023PTC174243

Manmahesh Kantipudi
Digitally signed by Manmahesh Kantipudi
Date: 2024.05.22 12:30:15 +05'30'

Keshav Gunupati Venkat Reddy
Digitally signed by Keshav Gunupati Venkat Reddy
Date: 2024.05.22 12:34:12 +05'30'

Manmahesh Kantipudi
Chairman & Director
DIN: 05241166

Keshav Gunupati Venkat Reddy
Director
DIN: 06593325

Place: Hyderabad
Date: 22/05/2024

Aragen Biologics Private Limited
Standalone Statement of Profit and Loss for the period ended 31 March 2024
(All amounts in ₹ lakhs, except share data, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2024
Revenue from operations	15	28.27
Other income		-
Total income		**28.27**
Expenses		
Cost of materials consumed	19a	11.56
Employee benefits expense	16	86.72
Finance costs	17	15.30
Depreciation and amortisation expense	18	106.72
Other expenses	19b	54.96
Total expenses		**275.26**
Profit before tax		**(246.99)**
Tax expense		
(a) Current tax	20	-
(b) Current tax relating to prior years	20	-
(b) Deferred tax	20	(43.78)
Total tax expense		**(43.78)**
Profit for the period		**(203.21)**
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement gain/(loss) on defined benefit plans		-
Income-tax effect on above		-
Total other comprehensive income/(loss), net of tax		**-**
Total comprehensive income for the period		**(203.21)**
Earnings per share (EPS)		
(a) Basic	21	(1.02)
(b) Diluted	21	(1.02)
Company background & Material accounting policy information	1 & 2	

The notes referred to above form an integral part of these standalone financial statements.
As per our Report on Standalone Financial Statements of even date attached

for Sunil Bhandari & co.
Chartered Accountants
ICAI Firm Registration No: 012094S

SUNIL KUMAR BHANDARI Digitally signed by SUNIL KUMAR BHANDARI Date: 2024.05.22 15:22:10 +05'30'

Sunil Kumar Bhandari
Partner
Membership No. 220868

Place: Hyderabad
Date: 22/05/2024

for and on behalf of the Board of Directors of
Aragen Biologics Private Limited
CIN: U21001TS2023PTC174243

Manmahesh Kantipudi Digitally signed by Manmahesh Kantipudi Date: 2024.05.22 12:30:47 +05'30'

Keshav Gunupati Venkat Reddy Digitally signed by Keshav Gunupati Venkat Reddy Date: 2024.05.22 12:34:52 +05'30'

Manmahesh Kantipudi
Chairman & Director
DIN: 05241166

Keshav Gunupati Venkat Reddy
Director
DIN: 06593325

Place: Hyderabad
Date: 22/05/2024

Aragen Biologics Private Limited
Standalone Statement of cash flows for the year ended 31 March 2024
(All amounts in ₹ lakhs, except share data, unless otherwise stated)

Particulars	For the year ended 31 March 2024
Cash flow from operating activities	
Profit before tax	**(246.99)**
Adjustments for:	
Depreciation and amortisation expense	106.72
Interest expense	15.30
Employee stock compensation expense	2.88
Adjustments for working capital	
Decrease/(Increase) in trade receivables	(28.27)
Increase in other non-current financial assets	(0.10)
Increase in other current assets	(10.64)
(Decrease)/Increase in trade payables	29.23
(Decrease)/Increase in other current financial liabilities	16.45
Increase in provisions	12.91
(Decrease)/Increase in other current liabilities	10.54
Cash generated from operations	**(91.97)**
Income-tax paid	(3.55)
Net cash flow generated from operating activities	**(95.52)**
Cash flows from investing activities	
Purchase of property, plant and equipment incl. CWIP and Capital advances	(1,353.67)
Net cash used in investing activities	**(1,353.67)**
Cash flow from financing activities	
Proceeds from issue of equity shares	2,000.00
Repayment of lease liabilities	(10.00)
Net cash flow (used in)/generated from financing activities	**1,990.00**
Net increase/(decrease) in cash and cash equivalents	**540.81**
Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalents at the end of the period	**540.81**
Cash and cash equivalents comprise	
Balances with banks	
On current accounts	540.81
Cash on hand	-
Total cash and cash equivalents at end of the period	**540.81**

for Sunil Bhandari & co.
Chartered Accountants
ICAI Firm Registration No: 012094S

SUNIL KUMAR BHANDARI Digitally signed by SUNIL KUMAR BHANDARI Date: 2024.05.22 15:22:40 +05'30'

Sunil Kumar Bhandari
Partner
Membership No. 220868

Place: Hyderabad
Date: 22/05/2024

for and on behalf of the Board of Directors of
Aragen Biologics Private Limited
CIN: U21001TS2023PTC174243

Manmahesh Kantipudi Digitally signed by Manmahesh Kantipudi Date: 2024.05.22 12:31:06 +05'30'

Keshav Gunupati Venkat Reddy Digitally signed by Keshav Gunupati Venkat Reddy Date: 2024.05.22 12:35:14 +05'30'

Manmahesh Kantipudi
Chairman & Director
DIN: 05241166

Keshav Gunupati Venkat Reddy
Director
DIN: 06593325

Place: Hyderabad
Date: 22/05/2024

Aragen Biologics Private Limited
Standalone Statement of Changes in Equity for the year ended 31 March 2024
(All amounts in ₹ lakhs, except share data, unless otherwise stated)

(a) Equity share capital

Particulars	Number	Amount
Equity shares of ₹10 each issued, subscribed and fully paid		
Issued issued, subscribed and fully paid	2,00,00,000.00	2,000.00
As at 31 March 2024	**2,00,00,000**	**2,000.00**

(b) Other equity

Particulars	Reserves and Surplus								Other comprehensive income	Total other equity
	Securities premium	Treasury shares	Capital reserve	General reserve	Retained earnings	Debenture redemption reserve	Capital redemption reserve	Share based payment reserve	Effective portion of cashflow hedge	
Profit for the year					(203.21)					(203.21)
Other comprehensive income					-				-	-
Employee stock compensation expenses								-		-
Contribution towards employees of holding company								2.88		2.88
Dividends					-					-
Utilised for bonus issue					-					
Balance as at 31 March 2024	**-**	**-**	**-**	**-**	**(203.21)**	**-**	**-**	**2.88**	**-**	**(200.33)**

The notes referred to above form an integral part of these standalone financial statements.

As per our Report on standalone financial statements of even date attached

for Sunil Bhandari & co.
Chartered Accountants
ICAI Firm Registration No: 012094S

SUNIL KUMAR BHANDARI
Digitally signed by SUNIL KUMAR BHANDARI
Date: 2024.05.22 15:23:03 +05'30'

Sunil Kumar Bhandari
Partner
Membership No. 220868

Place: Hyderabad
Date: 22/05/2024

for and on behalf of the Board of Directors of
Aragen Biologics Private Limited
CIN: U21001TS2023PTC174243

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Manmahesh Kantipudi
Chairman & Director
DIN: 05241166

Keshav Gunupati Venkat Reddy
Director
DIN: 06593325

Place: Hyderabad
Date: 22/05/2024

1. **Company overview**

Aragen Biologics Private Limited., (the "Company" or "Aragen") is a Company incorporated on 21st June 2023, under the Companies Act, 2023 is a wholly-owned subsidiary of Aragen Life Sciences Limited *(formerly known as Aragen Life Sciences Private Limited)* ("the Holding Company"). The Company is primarily engaged in providing contract manufacturing and pharmaceutical products sales to biotech and pharmaceutical companies. The Company's registered address is 28A, IDA Nacharam, Hyderabad, Telangana 500076, India.

2. **Summary of material accounting policies**

a) Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 ("the Rules") (as amended). The financial statements are authorized for issue by the Board of Directors of the Company at their meeting held on 22 May 2024.

b) Basis of preparation of financial statements

The financial statements have been prepared on a historical cost basis.

c) 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

The Company classifies all other assets 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.

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.

d) Foreign currency

The Company's financial statements are presented in Indian Rupees (₹), which is also the company's functional currency.

All the amounts have been rounded to the nearest Lakhs.

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and foreign currency at the date of the transaction.

2. Summary of material accounting policies (Continued)

Conversion
Foreign currency monetary items are reported at year-end rates. 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
Exchange differences arising on the settlement of foreign currency monetary items or on reporting monetary items of the Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

e) Fair value measurement:

The Company measures financial instruments 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 Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

All assets and liabilities for which fair value is measured or disclosed in the revised 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.

2. Summary of material accounting policies (Continued)

f) Revenue recognition

Revenue from contracts with customers

The following is a summary of material accounting policies related to revenue recognition.

Contract manufacturing and Pharmaceutical Products Sales

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

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

In respect of contracts involving sale of products or compounds, revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. Revenue is measured based on the transaction price, excluding amounts collected on behalf of government pertaining to taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale.

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

Revenues in excess of invoicing are classified as contract assets (referred to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (referred to as "unearned revenue").

The Company collects GST as applicable, on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

Use of Significant Judgements in revenue recognition:

The Company's contracts with customers could include promises to transfer multiple products and compounds to a customer. The Company assesses the products promised in the contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives.
The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

2. Summary of material accounting policies (Continued)

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or compound, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

g) Taxes

Tax expense comprises of current and deferred tax.

Current income tax

Income tax expense is recognised in statement of profit and loss except to the extent that it relates to an item recognised directly in equity in which case it is recognised in other comprehensive income. Current income tax for current year and prior periods is recognised at the amount expected to be paid or recovered from the tax authorities, using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Provision for income tax includes the impact of provisions established for uncertain income tax positions. Tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

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 recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward for of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. 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 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.

h) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation, impairment losses and specific grant/subsidies, if any. Cost comprise of purchase price, freight, non-refundable taxes and duties, specified foreign exchange gains or losses and any other cost attributable to bring the asset to its working condition for its intended use. Expenditure directly relating to construction activity is capitalised. Indirect expenditure is capitalised to the extent those relate to the construction activity or is incidental thereto. 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. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Company adopted cost model as its accounting policy, in recognition of the property, plant and equipment and recognises transaction value as the cost.

(All amounts in $ Thousands except share data, unless otherwise stated)

2. Summary of material accounting policies (Continued)

Direct expenditure incurred and other attributable costs on projects under implementation are treated as unallocated capital expenditure pending allocation to the assets and under construction or in the process of installation are termed as Capital work-in-progress and shown at cost in the Balance Sheet.

Gain or losses arising from derecognition of a fixed asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Borrowing costs

Borrowing costs that are attributable to the acquisition and construction of qualifying assets are capitalized as part of cost of such assets till such time the asset is ready for its intended use. A qualifying asset is one that requires substantial period of time to get ready for its intended use. All other borrowing costs are recognized in statement of profit and loss as incurred.

Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is provided on straight-line method over their estimated useful lives as estimated by the management. On the basis of technical expert advice received by the Company and past experience in the industry, the management has reassessed the useful life of its fixed assets as follows.

Nature of the assets	Mgmt. estimate	Schedule II
Buildings (Incl. roads)	10-30 years	10-30 years
Laboratory equipment	7 years	10 years
Plant & Machinery	20 years	20 years
Computer and related equipment	3-4 years	3-6 years
Office equipment	5-10 years	5-10 years
Furniture & fixtures	10 years	10 years
Vehicles	8 years	8 years

Lease hold improvements are depreciated on straight-line method over the balance lease period or the useful lives as determined by management, whichever is lower.

The company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future period.

i) Intangible asset

Software licenses including computer software

Intangible assets in the nature of software licenses are measured on initial recognition at cost including expenditure incurred towards implementation of such software. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. 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.

Amortization

Intangible assets are amortized on a straight-line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed more than three years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the Company amortizes the intangible asset over the best estimate of its useful life.

2. Summary of material accounting policies (Continued)

j) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. 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:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.

- the Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and

- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are the most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

    - the Company has the right to operate the asset; or
    - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component based on their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

2. Summary of material accounting policies (Continued)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the Balance sheet.

Short-term leases and leases of low-value assets:

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets.

k) Inventories

Raw material in the nature of chemicals, stores and spares and other consumables are carried at cost. Cost includes purchase price, duties and taxes (other than those subsequently recoverable by the Company from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the Material cost, Actual cost is used in-case of raw materials for manufacturing activities and moving average cost method is used in all other cases. The carrying cost of chemicals, stores and spares and other consumables are appropriately written down when there is a decline in replacement cost of such materials and final services in which they will be incorporated are expected to be sold below cost.

Cost of work-in-progress includes cost of material consumed, labor and manufacturing overheads.

Finished goods are valued at cost or net realizable value, whichever is lower.

l) Impairment of non-financial asset

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, 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.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU using the Discounted Cashflow Model (DCF). The Company bases its impairment calculation on detailed budgets and forecast calculations. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average

2. Summary of material accounting policies (Continued)

growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

m) Contingent liabilites and Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event i.e., 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. 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.

A disclosure of the contingent liability is made when there is a possible or a present obligation that may, but probably will not, require an outflow of resources.

Contingent assets are not recognised in the financial statements but disclosed, where an inflow of economic benefit is probable.

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

n) Retirement and other employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

The Company's contribution towards employee provident fund to Government administered provident fund scheme is considered as a defined contribution plan and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered Provident Fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit and loss in the period during which the related services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

2. Summary of material accounting policies (Continued)

Other long term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets, if any out of which the obligations are expected to be settled. The cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur

o) Share based Payments

The Company measures compensation cost relating to share-based payments using the fair valuation method in accordance with Ind AS 102 (Share Based Payment). Compensation expense is amortized over the vesting period of the option on a straight line basis. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model (Black-Scholes valuation model). That cost is recognised, together with a corresponding increase in share-based payment (SBP) 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.

Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures materially differ from those estimates.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

p) Financial instruments:

Initial recognition and measurement:

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. Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instruments.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liabilities is initially measured at fair value plus or minus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.
Subsequent measurement: For purposes of subsequent measurement, financial assets are classified in following categories:

- Debt instruments
- Equity instruments

Debt instruments: 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

2. Summary of material accounting policies (Continued)

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. This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 5.

Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable. The Company has made investment in equity instruments of it's subsidiaries, the same has been accounted for at cost in accordance with Ind AS 27.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement.

q) Offsetting

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

r) 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 debt instruments, that are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance.
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 full provision for all the amounts which the management estimates that they are not recoverable.

2. Summary of material accounting policies (Continued)

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss (P&L). This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss

s) Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

t) Loans and borrowings

This is the category most relevant to the Company. 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. This category generally applies to borrowings.

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

2. Summary of material accounting policies (Continued)

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.

u) 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.

v) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current investments.

Non-current investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary, in the value of the investments. Current investments are carried at lower of cost and fair value determined on individual investment basis.

The Company reviews its carrying value of investments carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of Profit and Loss.

w) Earnings per share

Basic earnings per equity share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
For the purpose of calculating diluted earnings per equity share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

x) Segment reporting

Segments are identified taking into consideration the internal organization and management structure as well as the differential risk and returns of the segment.
Based on the Company's business model, contract research solutions have been considered as the only reportable business segment and hence no separate financial disclosures are provided in respect of its single business segment.

y) Statement of Cash flows

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payment and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing, and financing activities of the Company are segregated.

2. Summary of material accounting policies (Continued)

z) Recent Indian Accounting Standards (Ind AS) pronouncements:

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 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

(All amounts in ₹ lakhs, except share data, unless otherwise stated)

3 Property, plant and equipment & Capital work-in-progress

Particulars	Buildings	Plant & Machinery	Laboratory equipment	Furniture and fixtures	Vehicles	Office equipment	Computer and related equipment	Total
Gross block								
Additions during the year	183.13	63.52	2,051.39	858.05		366.38	10.67	3,533.15
Adjustments/Disposals								-
As at 31 March 2024	**183.13**	**63.52**	**2,051.39**	**858.05**	**-**	**366.38**	**10.67**	**3,533.15**
Accumulated depreciation								
Charge for the year	1.00	0.70	42.10	14.07		12.02	0.58	70.47
Adjustments or disposals								-
As at 31 March 2024	1.00	0.70	42.10	14.07	-	12.02	0.58	**70.47**
Net block as at 31 March 2024	**182.13**	**62.82**	**2,009.29**	**843.98**	**-**	**354.36**	**10.09**	**3,462.68**

Capital work-in-progress:
Capital work-in-progress (CWIP) comprises expenditure for the building, plant and machinery, laboratory and electrical equipment in the course of construction. The balance of CWIP as at 31 March 2024 is ₹1,03.68 (31 March 2023: NIL).

Particulars	As at 31 March 2024
Balance at the beginning of the year	-
Less: Capitalised during the year	-
Add: Additions to CWIP during the year	103.68
Balance at the end of the year	**103.68**

Ageing for capital work-in-progress as at March 31, 2024 is as follows:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	103.68	-	-	-	103.68
Projects temporarily suspended	-	-	-	-	-
Total	**103.68**	**-**	**-**	**-**	**103.68**

Details of expenditure capitalised during the year

Particulars	As at 31 March 2023
Balance at the beginning of the year	-
Salaries and contract services	61.98
Others	41.70
Less: Capitalized during the year	-
Balance at the end of the year	**103.68**

(All amounts in ₹ lakhs, except share data, unless otherwise stated)

3A Right-of-use assets ("ROU Assets")

Following are the changes in the carrying values of right of use assets for the period ended 31 March 2024

Particulars	Category of ROU Assets				Total
	Land	Buildings	Laboratory equipment	Vehicles	
Additions during the year		1,078.68			1,078.68
Less: Adjustments/Disposals					-
As at 31 March 2024	**-**	**1,078.68**	**-**	**-**	**1,078.68**
					-
Accumulated depreciation					
Depreciation		35.96			35.96
Less: Adjustments/Disposals					-
As at 31 March 2024	**-**	**35.96**	**-**	**-**	**35.96**
Balance as at 31 March 2024	**-**	**1,042.73**	**-**	**-**	**1,042.72**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

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

Particulars	As at 31 March 2024
Additions	1,078.68
Deletions from Lease liability	
Finance cost accrued during the year	15.30
Payment of lease liabilities	(10.00)
Balance at the end of the year	**1,083.98**

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

Particulars	As at 31 March 2024
Current lease liabilities	27.01
Non-current lease liabilities	1,056.98
Total	**1,083.98**

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

Particulars	As at 31 March 2024
Less than one year	27.01
One to five years	1,056.98
More than five years	-
Total	**1,083.98**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Amounts recognised in the statement of profit and loss

Particulars	For the year ended 31 March 2024
Interest on lease liabilities	15.30
Expenses relating to short-term leases	-
Depreciation expense for the year	35.96
Expenses relating to leases of low-value assets, excluding short-term	-
Total	**51.26**

(All amounts in ₹ lakhs, except share data, unless otherwise stated)

4 Other intangible assets

Particulars	Computer Software	Total
As at 31 March 2023	-	-
Additions during the year	7.06	7.06
As at 31 March 2024	**7.06**	**7.06**
Accumulated amortization		
As at 31 March 2023	-	-
Charge for the year	0.29	0.29
As at 31 March 2024	**0.29**	**0.29**
Net block		
As at 31 March 2024	**6.77**	**6.77**
As at 31 March 2023	-	-

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(All amounts in ₹ lakhs, except share data, unless otherwise stated)

5 Other financial assets

	As at 31 March 2024
Non-current	
(Unsecured, considered good)	
Security deposits	0.10
	0.10
Current	
Other assets *(Receivable from holding company)	8.16
	8.16
Total other financial assets	**8.26**

(i) Information about the company's exposure to credit risk, foreign currency risk, interest rate risk and fair value measurement is included in note 23.

6 Trade receivables

Particulars	As at 31 March 2024
Unsecured considered good	
- related parties (refer note 28(c))	16.17
- other parties	12.10
	28.27
Unsecured considered doubtful	
- related parties (refer note 28(c))	-
- other parties	-
	-
Less: Allowance for expected credit loss	-
Total trade receivables	**28.27**

	31 March 2024
Trade receivables considered good - secured	-
Trade receivables considered good - unsecured	28.27
Trade receivables which have significant credit risk	-
Trade receivables - credit impaired	-
Total	**28.27**
Provision for loss allowance	-
Total trade receivables	**28.27**

(i) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Trade receivables from related parties represent dues from private companies in which a director is director or a member.

(ii) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Trade Receivables ageing schedule as at 31 March 2024:

Particulars	Outstanding for following periods from due date of payment					
	Not Due	**Less than 6 months**	**6 months -1 year**	**1-2years**	**2-3years**	**More than 3 years**
(i) Undisputed Trade receivables – considered good		28.27	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk		-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired		-	-	-	-	-
(iv) Disputed Trade Receivables– considered good		-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk		-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired		-	-	-	-	-
Unbilled Receivables		-	-	-	-	-
Impairment allowance (allowance for doubtful debts)						
Total	**-**	**28.27**	**-**	**-**	**-**	**-**
Expected Loss Rate						
Loss Allowance provision						

7 Cash and bank balances

Particulars	As at 31 March 2024
Cash and cash equivalents	
Balances with banks	
-In current accounts	540.81
Cash on hand	-
	540.81

8 Other assets

Particulars	As at 31 March 2024
Unsecured, considered good	
Non-current	
Capital advances	1,337.68
	1,337.68
Current	
Balances with government authorities	2.48
	2.48

No other assets are due from directors or other officers of the Company either severally or jointly with any other person.

Aragen Biologics Private Limited
Notes to the standalone financial statements for the year ended 31 March 2024
(All amounts in ₹ lakhs, except share data, unless otherwise stated)

9 Equity share capital

Particulars	31 March 2024	
	Number	Amount
Authorized		
Equity shares of ₹10 each	3,00,00,000	3,000.00
Preference shares of ₹1,00,000 each		
	21,500	21,500.00
	3,00,21,500	**24,500.00**
Issued, subscribed and fully paid-up		
Equity shares of ₹10 each	2,00,00,000	2,000.00
	2,00,00,000	**2,000.00**

(a) Reconciliation of equity shares outstanding at the beginning and end of the reporting year

Particulars	31 March 2024	
	Number	Amount
Balance at the beginning of the year	-	-
Shares issued during the year	2,00,00,000	2,000.00
Balance at the end of the year	**2,00,00,000**	**2,000**

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing general meeting.
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Particulars	31 March 2024	
	Number of shares	% of holding
Equity shares of ₹10 each fully paid		
Aragen Life Sciences Limited*	2,00,00,000	100.00%

*(Including 1 share in the name of nominee Keshav Gunupati Venkat Reddy)

(d) Shareholding of promoters/promoters group

Particulars	As at 31 March 2024	
	No. of Shares	% of total shares
Aragen Life Sciences Limited	1,99,99,999	99.99%
Keshav Gunupati Venkat Reddy *(As a nominee of Aragen Life Sciences limited)	1	0.001%

(All amounts in ₹ lakhs, except share data, unless otherwise stated)

10 Other equity

Particulars	As at 31 March 2024
Retained earnings	
Balance at the beginning of the year	-
Add: Net profit for the year	(203.21)
Balance at the end of the year	**(203.21)**
Share based payment reserve	
Balance at the beginning of the year	
Add: Contribution towards employees of Subsidiary	2.88
Balance at the end of the year	**2.88**
Total other equity	**(200.33)**

11 Provisions

Particulars	As at 31 March 2024
Non-current	
Provision for employee benefits	
-Gratuity	7.14
-Compensated absences	-
	7.14
Current	
Provision for employee benefits	
-Gratuity	-
-Compensated absences	5.77
	5.77

12 Trade payables

Particulars	As at 31 March 2024
Trade payables	
- related parties (refer note 28 (c))	-
-Total outstanding dues of micro and small enterprises	-
-Total outstanding dues of creditors other than micro and small enterprises	29.23
	29.23

(a) Trade payables are non-interest bearing and are normally settled on 0-90 day terms.
(b) For terms and conditions with related parties, refer to note 28
(c) Information about the companies exposure to foreign currency risks, liquidity risk and fair value measurement is included in note 23.

Trade payables ageing schedule as at 31 March 2024:

Particulars	Outstanding for following periods from due date of payment			
	Not Due- Trade Payables	**Less than 1 year**	**2-3 years**	**More than 3 years**
(i) MSME	-	-	-	-
(ii) Others	-	29.23	-	-
(iii) Disputed dues-MSME	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-
(v) Accrued for expenses	-	-	-	-
	-	**29.23**	**-**	**-**

13 Other financial liabilities

Particulars	As at 31 March 2024
(Unsecured, considered good)	
Current	
At amortised cost	
Creditors for capital expenditure (refer note a below)	3,628.02
Dues to employees	16.45
	3,644.47

(a) Information about company's exposure to liquidity and currency risk is included in note 23.

14 Other current liabilities

Particulars	As at 31 March 2024
Advances received from customers	-
Liability towards Corporate Social Responsibility	-
Statutory liabilities	10.53
	10.53

(All amounts in ₹ lakhs, except share data, unless otherwise stated)

15 Revenue from operations

Particulars	For the year ended 31 March 2024
Sale of goods:	
- Pharmaceutical Products Sales	28.27
	28.27
Revenue from services:	
- Contract research services	-
Other operating revenues	-
	28.27

Revenues from Contracts with Customers establishes a five-step approach to revenue recognition that includes identifying contracts with customers, identifying performance obligations, determining transaction prices, allocating transaction prices to performance obligations, and recognising revenue when or as performance obligations are satisfied.

(a) Information about products and services

The Company deals in different types of products and services

Particulars	Timing of recognition (Over the period / Point in time)	For the year ended 31 March 2024
Sale of goods	Point in time	28.27
Sale of services	Over the period	-
Total		**28.27**

(b) Contract balances:

Particulars	As at 31 March 2024
Trade receivables	28.27
Contract Assets	
Contract liabilities - Customer advances	-

Disaggregated Revenue Information

Particulars	For the year ended 31 March 2024
Revenues from sale of goods by geography	
North America	28.27
Europe	-
India	-
Others	-
	28.27
Revenue from other sources	
Other operating revenues	-
Total Revenue from operations	**28.27**

Geographical revenue is allocated based on the location of the customers.

Reconciliation of revenue with contract price

Particulars	For the year ended 31 March 2024
Contract price	28.27
Less : Discounts	
Revenue from operations	**28.27**

(All amounts in ₹ lakhs, except share data, unless otherwise stated)

16 Employee benefits expense

Particulars	For the year ended 31 March 2024
Salaries and wages	76.76
Employee stock compensation expenses	2.88
Contribution to provident and other funds (note a)	1.77
Gratuity and compensated absences (note b)	4.74
Staff welfare expenses	0.57
	86.72

a. Defined contribution plan

During the year ended 31 March 2024, the Company has contributed ₹ 1.77 (31 March 2023: ₹Nil) to provident fund, ₹ Nil (31 March 2023: ₹Nil) towards employee state insurance fund and ₹ Nil (31 March 2023: ₹Nil) towards National Pension Scheme.

b. Defined benefit plan

The Company has a funded defined plan, viz. gratuity for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

17 Finance costs

Particulars	For the year ended 31 March 2024
Interest on borrowings	-
Interest expense on lease liabilities	15.30
Other borrowing cost*	
	15.30

*Exchange difference to the extent considered as an adjustment to borrowing cost.

18 Depreciation & Amortisation

Particulars	31 March 2024
Depreciation & Amortisation (note 3)	70.47
ROU Depreciation	35.96
Intangible amortisation	0.29
	106.72

19 Other expenses

	Particulars	For the year ended 31 March 2024
a)	**Direct expenses:**	
	Consumption of material	11.56
	Job work charges	-
	Other direct expenses	-
		11.56
b)	**Indirect expenses:**	
	Power and fuel	26.14
	Rent	1.24
	Repairs and maintenance	
	- Buildings	0.40
	- Machinery	0.45
	Bank charges	1.26
	Rates and taxes	0.25
	Water charges	1.51
	Communication expenses	0.02
	Office maintenance expenses	9.47
	Travelling and conveyance	1.75
	Consultancy and professional charges (refer note i)	5.33
	Printing and stationery	1.11
	Miscellaneous expenses	6.03
		54.96

(i) Payments to the auditor

Particulars	For the year ended 31 March 2024
-As Auditor	
- statutory audit fee	5.00
- certification	-
	5.00

(All amounts in ₹ lakhs, except share data, unless otherwise stated)

20 Tax expense

A. Tax expense in the statement of profit and loss

Particulars	For the year ended 31 March 2024
Current tax	-
Deferred tax	(43.78)
Tax expense reported in the statement of profit or loss	**(43.78)**

Entire deferred income tax relates to origination and reversal of temporary differences.

Tax expense charged to OCI

Particulars	For the year ended 31 March 2024
Tax related to items in OCI during the year:	
Current tax impact due to remeasurements of defined benefit plans	-
Tax expense reported in OCI	**-**

Entire deferred income tax relates to origination and reversal of temporary differences.

Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2024
Tax expense for the year	(43.78)
Profit before tax for the year ended as per statement of profit and loss	(246.99)
Tax at statutory income tax rate 17.16%	-
Tax effects of amounts which are not deductible / (taxable) in calculating taxable income	
Non-deductible expenses for tax purposes	
Tax incentive and other deductions	
Others	
Tax expense for the year	**-**

B. Non-current tax assets, net

Particulars	As at 31 March 2024
Advance tax, (net of provision for tax is Nil)	3.55
	3.55

C. Current tax liabilities, net

Particulars	As at 31 March 2024
Provision for tax, (net of advance tax ₹)	-
	-

Particulars	As at 31 March 2024
The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities are as follows:	
Deferred income tax liabilities	
Property, plant and equipment	31.62
Others	
	31.62
Deferred income tax assets	
Accrued compensation to employees	2.21
Impairment allowance on trade receivables	
Statutory bonus	0.08
Impact of deduction of Section 80JJAA of Income Tax Act, 1961	
Others	66.03
Leases	7.08
	75.40
Total Deferred tax (liabilities)/assets, net	**43.78**

E. Reconciliation of deferred tax assets/ (liabilities) (net):

Particulars	As at 31 March 2024
Balance at the beginning of the year	**-**
Tax income/(expense) during the year recognised in profit or loss	43.78
Tax income/(expense) during the year recognised in OCI	-
Balance at the end of the year	**43.78**

21 Earnings per Equity share (EPES)

Basic EPS amount are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

The following reflects the income and share data used in the basic EPS computations:

Particulars	For the year ended 31 March 2024
Profit attributable to equity holders	(203.21)
Weighted average number of equity shares in calculating basic EPS	2,00,00,000
Nominal value per equity share	₹10
Effect of dilution:	
- Stock options granted under ESOP	-
Weighted average number of equity shares used in computation of diluted EPS	**2,00,00,000**

Earnings per Equity share (EPES)	**31 March 2024**
Basic	(1.02)
Diluted	(1.02)

22 Significant accounting judgements, estimates and assumptions

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 financial assets measured at amortised cost.

Company has a policy of providing loss allowance for trade receivables which are aged for more than 180 days. Loss allowance for financial assets measured at amortised cost are deducted from gross carrying amount of the assets.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the forecast for future years. These do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to other intangibles with indefinite useful lives recognized by the Company.

Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

23 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and bank balances that derive directly from its operations and also enters into derivative operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The senior management provides assurance to the Company's Board that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes should be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(i) Equity risk

As the Company is not listed in any stock exchange, the equity risk is not applicable to the Company.

(ii) 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. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The carrying amount of the Financial assets represents the maximum credit risk exposure.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The Company has a policy of providing for all aged receivables basis the Expected Credit Loss method and specific provision on a case to case basis.

The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Company's finance team in accordance with the Company's policy. Investments of surplus funds are made only with approved and reputed banks and within credit limits assigned to each bank. The amounts invested and details of relevant banks are reviewed by the Company's Board of directors on annual basis.

(All amounts in ₹ lakhs, except share data, unless otherwise stated)

23 Financial risk management objectives and policies (continued)

(iii) Liquidity risk

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

The Company has an appropriate liquidity risk management framework for the management of short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Company's treasury department is responsible for managing the short-term and long term liquidity requirements of the Company. Short term liquidity situation is reviewed daily by treasury. Long term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	**As at 31 March 2024**
Less than 1 year	
- Borrowings	-
- Other financial liabilities	3,644.47
- Trade payables	29.23
- Lease liabilities	27.01
1 to 2 years	
- Borrowings	-
- Lease liabilities	222.32
2 to 5 years	
- Borrowings	-
- Lease liabilities	834.66
> 5 years	
- Borrowings	-
- Lease liabilities	-

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Company to manage risk concentrations at both the relationship and industry levels.

24 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 of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.
The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, issue bonus shares to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company's policy is to keep the gearing ratio in an optimal structure which balances growth and shareholder value. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and bank balances.

	As at 31 March 2024
Borrowings	-
Trade payables (Note 12)	29.23
Other financial liabilities (Note 13)	3,644.47
Lease liabilities (Note 3A)	1,083.98
Less: Cash and bank balances (Note 7)*	(540.81)
Net debt	**4,216.87**
Total equity	1,799.67
Total equity	**1,799.67**
Gearing ratio	**2.34**

(All amounts in ₹ lakhs, except share data, unless otherwise stated)

25 Commitments

Particulars	As at 31 March 2024
Estimated amount of contracts amounting to be executed on capital account and not provided for (net of advances)	6,378.61

26 Contingent liabilities

The Company is subject to legal proceedings and claims before various tax authorities, which have arisen in the ordinary course of business. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the claimants or the Company, as the case may be and therefore timing of cash flows cannot be predicted. The Company engages reputed professional advisors wherever required to protect its interests and has been advised that it has strong legal positions against such disputes. The Management believes that it has a reasonable case in its defense of the proceedings and accordingly no further provision is required.

Other matters

Particulars	As at 31 March 2024
(a) Income tax matter under dispute	-
(b) Service tax matter under dispute	-
(c) Central Sales tax matter under dispute	-
(d) Customs matter under dispute	-
(e) Goods and Service tax matter under dispute	-

27 Segment reporting

Geographical information

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

28 Related party disclosures

(a) Name of related parties and nature of relationship

Names of the related parties	Nature of relationship	
Aragen Life Sciences Limited	Holding Company	
Aragen Bioscience Inc	Fellow Subsidiary	
Manmahesh Kantipudi	Director & Chairman	Key management personnel (KMP)
Keshav Gunupati Venkat Reddy	Director	Key management personnel (KMP)

(b) Transactions with related parties

Particulars	For the year ended 31 March 2024
Remuneration of KMPs	
Short-term employee benefits	
Mr. Manmahesh Kantipudi	-
Mr. Keshav Gunupati Venkat Reddy	-
Directors remuneration/commission	
Mr. Manmahesh Kantipudi	-
Mr. Keshav Gunupati Venkat Reddy	-

(All amounts in ₹ lakhs, except share data, unless otherwise stated)

28 Related party disclosures (continued)

(b) Transactions with related parties (continued)

	For the year ended 31 March 2024
Transactions with Holding company - Aragen Life sciences Limited.	
Reimbursement of expenses receivable	8.16
Reimbursement of expenses (Rent)	(10.00)
Reimbursement of expenses	(73.34)
Purchases of fixed assets	(2,991.53)
Transactions with fellow subsidiary - Aragen Bioscience, Inc.	
Pharmaceutical Products Sales	16.17

(c) Balances receivable/(payable)

	As at 31 March 2024
Aragen Life Sciences Limited Payable	(3,628.02)
Aragen Life Sciences Limited Receivable	8.16
Aragen Bioscience Inc Receivable	16.17

29 Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the domestic and international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence before the regulatory timelines, as required by law. The Management is of the opinion that its domestic and international transactions are at arm’s length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

for Sunil Bhandari & co.
Chartered Accountants
ICAI Firm Registration No: 012094S

SUNIL KUMAR BHANDARI
Digitally signed by SUNIL KUMAR BHANDARI
Date: 2024.05.22 15:24:03 +05'30'

Sunil Kumar Bhandari
Partner
Membership No. 220868

Place: Hyderabad
Date: 22/05/2024

for and on behalf of the Board of Directors of
Aragen Biologics Private Limited
CIN: U21001TS2023PTC174243

Manmahesh Kantipudi
Digitally signed by Manmahesh Kantipudi
Date: 2024.05.22 12:32:36 +05'30'

Manmahesh Kantipudi
Chairman & Director
DIN: 05241166

Keshav Gunupati Venkat Reddy
Digitally signed by Keshav Gunupati Venkat Reddy
Date: 2024.05.22 12:36:25 +05'30'

Keshav Gunupati Venkat Reddy
Director
DIN: 06593325

Place: Hyderabad
Date: 22/05/2024