



Sunil Bhandari & Co.

Chartered Accountants

AUDITORS' REPORT

To
THE MEMBERS,
Aragen Foundation,
216, 217, 218, 2nd Floor, Plot No. D-1 Rasvilas, Saket, New Delhi - 110017.

We have audited the Standalone financial statements of Aragen Foundation ("the company"), which comprises the standalone balance sheet as at March 31, 2024, and statement of income and expenditure, standalone statement of changes in equity and statement of cash flows for the period then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. The provisions of the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 is not applicable to the Company.
2. As required by Section 143 (3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Standalone balance sheet, the standalone statement of income & expenditure, 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 Companies Act 2013, to the extent applicable.

- e. On the basis of written representations received from the directors of the company as at March 31, 2024 and taken on record by the board of directors, we report that no director is disqualified from being appointed as director of the company under Section 164(2) of the Companies Act, 2013.
- f. Since the Company's turnover as per latest audited financial statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the period is less than Rs.25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2017
- g. 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:
- i) The Company does not have any pending litigations which would impact its financial position.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- h. In our opinion and to the best of our information and according to the explanations given to us, and read together with the notes and significant accounting policies thereon give the information required by the Companies Act, 2013 in the manner so required, and give a true and fair view:
- i. in the case of the statement of Balance Sheet, of the state of affairs of the Company as at 31st March, 2024, and
 - ii. in the case of standalone income & Expenditure account, of the Deficit for the period ended on that date, and
 - iii. in case of standalone statement of cash flows, of the cash flows for the period ended on that date, and
 - iv. in case of standalone statement of changes in the equity for the period ended on that date.

Place: Hyderabad
Date: 22.05.2024

For Sunil Bhandari & Co.,
Chartered Accountants
SUNIL KUMAR
BHANDARI
Sunil Kumar Bhandari
(Proprietor)
Membership No. 220868
Firm Reg. No. 012094S
UDIN: 24220868BKDIDW8318

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BHANDARI
Date: 2024.05.22 18:26:51 +05'30'

Aragen Foundation
(CIN U85300DL2021NPL391515)

Standalone Balance Sheet as at March 31, 2024

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

Particulars	Notes	As at	
		31 March 2024	31 March 2023
Assets			
Current assets			
Financial assets			
- Trade receivables	3	-	21,22,104
- Cash and cash equivalents	4	-	6,768
Total assets		-	21,28,872
Equity and liabilities			
Equity			
Equity share capital	5	1,00,000	1,00,000
Other equity	6	(4,97,760)	(93,232)
Total Equity		-3,97,760	6,768
Current liabilities			
Financial liabilities			
- Trade payables	7	-	-
-Total outstanding dues of micro and small enterprises		-	-
-Total outstanding dues of creditors other than micro and small enterprises		3,97,760	21,22,104
Other current liabilities	8	-	-
Total current liabilities		3,97,760	21,22,104
Total equity and liabilities		-	21,28,872
Company background & Significant accounting policies	1 & 2		

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

for Sunil Bandari & Co.
Chartered Accountants
ICAI Firm Registration No: 012094S

SUNIL KUMAR BHANDARI
Digitally signed by SUNIL KUMAR BHANDARI
Date: 2024.05.22 18:27:16 +05'30'

Sunil Kumar Bhandari
Partner
Membership No. 220868

Place: Hyderabad
Date: 22 May 2024

for and on behalf of the Board of Directors of
Aragen Foundation

Manmahesh Kantipudi
Digitally signed by Manmahesh Kantipudi
Date: 2024.05.22 18:09:14 +05'30'

Manmahesh Kantipudi
Director
DIN: 05241166

Place: Hyderabad
Date: 22 May 2024

Keshav Gunupati Venkat Reddy
Digitally signed by Keshav Gunupati Venkat Reddy
Date: 2024.05.22 18:13:22 +05'30'

Keshav Gunupati Venkat Reddy
Director
DIN: 06593325

Place: Hyderabad
Date: 22 May 2024

Aragen Foundation
(CIN U85300DL2021NPL391515)

Standalone Statement of Income and Expenditure for the year ended March 31, 2024

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

Particulars	For the year ended		
	31 March 2024	31 March 2023	
Income		-	
Contribution received towards Corporate social responsibility spend	7,92,98,622	2,50,40,829	
Other contributions		4,00,000	
Total income	7,92,98,622	2,54,40,829	
Expenses			
Incurred towards CSR Projects of other companies	7,93,05,199	2,50,40,829	
Incorporation expenses		-	
Incurred towards Non-CSR Projects	3,47,760	4,00,000	
Statutory audit fees		-	
Professional fees	50,000	5,000	
Rates and taxes		8,100	
Other expenses	191	2,014	
Total expenses	7,97,03,150	2,54,55,943	
(Deficit)/ Surplus for the year	(4,04,528)	(15,114)	
Earnings per share (EPS)			
(a) Basic	9	(40.45)	(1.51)
(b) Diluted	9	(40.45)	(1.51)

Company background & Significant accounting policies

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

for Sunil Bandari & Co.

Chartered Accountants

ICAI Firm Registration No: 012094S

SUNIL KUMAR Digitally signed by SUNIL
KUMAR BHANDARI
Date: 2024.05.22 18:27:41
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BHANDARI

Sunil Kumar Bhandari

Partner

Membership No. 220868

for and on behalf of the Board of Directors of

Aragen Foundation

Manmahesh Digitally signed by
Manmahesh
Kantipudi
Date: 2024.05.22
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h Kantipudi

Manmahesh Kantipudi

Director

DIN: 05241166

Keshav

Gunupati

Venkat Reddy

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Keshav Gunupati
Venkat Reddy
Date: 2024.05.22
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Keshav Gunupati Venkat Reddy

Director

DIN: 06593325

Place: Hyderabad
Date: 22 May 2024

Place: Hyderabad
Date: 22 May 2024

Aragen Foundation
(CIN U85300DL2021NPL391515)
Standalone Statement of cash flows for the year ended March 31, 2024
(All amounts are in ₹, except share data, unless otherwise stated)

Particulars	For the year ended	
	31 March 2024	31 March 2023
Cash flow from operating activities		
(Deficit)/ Surplus for the year	(4,04,528)	(15,114)
Adjustments for working capital		
(Increase)/decrease in trade receivables	21,22,104	(21,22,104)
Increase/(decrease) in trade payables	(17,24,344)	20,81,604
Increase/(decrease) in other current financial liabilities	-	(4,500)
Cash generated from operations	(6,768)	(60,114)
Income tax refund received/(paid)	-	-
Net cash flow generated from operating activities	(6,768)	(60,114)
Cash flow from investing activities	-	-
Net cash flow (used)/generated in investing activities	-	-
Cash flow from financing activities		
Issue of share capital	-	-
Net cash flow (used)/generated in financing activities	-	-
Net increase in cash and cash equivalents	(6,768)	-60,114
Cash and cash equivalents at the beginning of the year	6,768	66,882
Cash and cash equivalents at the end of the year	0	6,768
Cash and cash equivalents comprise (Refer note 3)		
Balances with banks		
On current accounts	-	6,768
Cash on hand	-	-
Total cash and cash equivalents at end of the year	-	6,768

for Sunil Bandari & Co.
Chartered Accountants
ICAI Firm Registration No: 012094S
SUNIL KUMAR BHANDARI
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Date: 2024.05.22 18:28:11 +05'30'
Sunil Kumar Bhandari
Partner
Membership No. 220868

for and on behalf of the Board of Directors of
Aragen Foundation
Manmahesh Kantipudi
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Date: 2024.05.22 18:10:07 +05'30'
Manmahesh Kantipudi
Director
DIN: 05241166

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Date: 2024.05.22 18:14:42 +05'30'
Keshav Gunupati Venkat Reddy
Director
DIN: 06593325

Place: Hyderabad
Date: 22 May 2024

Place: Hyderabad
Date: 22 May 2024

Aragen Foundation**(CIN U85300DL2021NPL391515)****Statement of Changes in Equity for the year ended March 31, 2024**

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

(a) Equity share capital

	Number	Amount
Equity shares of ₹10 each issued, subscribed and fully paid		
As at March 31, 2022	10,000	1,00,000
Issued during the year	-	-
As at March 31, 2023	10,000	1,00,000
Issued during the year	-	-
As at 31 March 2024	10,000	1,00,000

(b) Other equity

Particulars	Reserves and Surplus
	Retained earnings
Balance as at March 31, 2022	(78,118)
(Deficit)/ Surplus for the year	(15,114)
Balance as at March 31, 2023	(93,232)
(Deficit)/ Surplus for the year	(4,04,528)
Balance as at March 31, 2024	(4,97,760)

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

for Sunil Bandari & Co.
Chartered Accountants
ICAI Firm Registration No: 012094SSUNIL KUMAR BHANDARI
Digitally signed by SUNIL KUMAR BHANDARI
Date: 2024.05.22 18:28:34 +05'30'**Sunil Kumar Bhandari**
Partner
Membership No. 220868Place: Hyderabad
Date: 22 May 2024**for and on behalf of the Board of Directors of**
Aragen FoundationManmahesh Kantipudi
Digitally signed by Manmahesh Kantipudi
Date: 2024.05.22 18:10:26 +05'30'**Manmahesh Kantipudi**
Director
DIN: 05241166Place: Hyderabad
Date: 22 May 2024Keshav Gunupati Venkat Reddy
Digitally signed by Keshav Gunupati Venkat Reddy
Date: 2024.05.22 18:15:18 +05'30'**Keshav Gunupati Venkat Reddy**
Director
DIN: 06593325

Aragen Foundation
(CIN U85300DL2021NPL391515)

Notes to the standalone financial statements for the year ended March 31, 2024

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

3 Trade receivables

Particulars	As at	
	31 March 2024	31 March 2023
Receivable from Aragen Life sciences Limited	-	21,22,104

4 Cash and Cash equivalents

Particulars	As at	
	31 March 2024	31 March 2023
Balances with banks		
-In current accounts	-	6,768
Cash on hand	-	-
	-	6,768

Aragen Foundation
(CIN U85300DL2021NPL391515)

Notes to the standalone financial statements for the year ended March 31, 2024

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

6 Other equity

Particulars	As at	
	31 March 2024	31 March 2023
Retained earnings		
Balance at the beginning of the year	(93,232)	-78,118
(Deficit)/ Surplus for the year	(4,04,528)	(15,114)
Balance at the end of the year	(4,97,760)	(93,232)
	(4,97,760)	(93,232)

7 Trade payables

Particulars	As at	
	31 March 2024	31 March 2023
Trade payables		
-Total outstanding dues of micro and small enterprises	-	-
-Total outstanding dues of creditors other than micro and small enterprises	3,97,760	21,22,104
	3,97,760	21,22,104

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

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at September 30, 2022 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	31 March 2024	31 March 2023
(i) The principal amount and interest due thereon remaining unpaid to supplier as at the end of each accounting period		
- Principal amount due to micro and small enterprise	-	-
- Interest due on above	-	-
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period.	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the period) but without adding the interest specified under the MSMED Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting period	-	-
(v) Interest remaining due and payable in succeeding years, in terms of Section 23 of the MSMED Act, 2006	-	-
	-	-

8 Other current liabilities

Particulars	As at	
	31 March 2024	31 March 2023
Statutory liabilities	-	-
	-	-

9 Earnings per share (EPS)

Basic EPS amount are calculated by dividing the profit for the period 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	31 March 2023
Profit/ (Loss) attributable to equity holders	(4,04,528)	(15,114)
Weighted average number of equity shares in calculating basic EPS	10,000	10,000
Nominal value per equity share	10	10
Effect of dilution:		
Weighted average number of equity shares used in computation of diluted EPS*	10,000	10,000
Particulars	31 March 2024	31 March 2023
Basic	(40.45)	(1.51)
Diluted	(40.45)	(1.51)

Aragen Foundation**(CIN U85300DL2021NPL391515)****Notes to the standalone financial statements for the year ended March 31, 2024**

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

5 Equity share capital

	Number	Amount
Authorized		
Equity shares of ₹10 each	-	-
As at 31 March 2023	10,000	1,00,000
Equity shares of ₹10 each	-	-
As at 31 March 2024	10,000	1,00,000
Issued, subscribed and fully paid-up		
Equity shares of ₹10 each	-	-
At the end of year ended March 31,2023	10,000	1,00,000
Equity shares of ₹10 each	-	-
At the end of year ended March 31,2024	10,000	1,00,000

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

	Number	Amount
Issued during the year	-	-
Balance at the end of the year March 31,2023	10,000	1,00,000
Issued during the year	-	-
Balance at the end of the year March 31,2024	10,000	1,00,000

(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.

(c) Shares held by holding Company, ultimate holding Company, subsidiaries / associates of holding Company or ultimate holding Company

	Number	Amount
Aragen Life Sciences Limited*	10,000	1,00,000
(Including 1 share in the name of nominee G V Sanjay Reddy)		

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

	Number of shares	% of holding
Equity shares of ₹10 each fully paid		
Aragen Life Sciences Limited	10,000	100.00%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Aragen Foundation
(CIN U85300DL2021NPL391515)
Notes to the standalone financial statements for the year ended March 31, 2024
 (All amounts are in ₹, except share data, unless otherwise stated)

10 Commitments

Particulars	As at	
	31 March 2024	31 March 2023
Estimated amount of contracts amounting to be executed on capital account and not provided for (net of advances)	4,67,988	9,65,21,385

11 Contingent liabilities

There are no contingent liabilities against the Company not acknowledged as debts as on reporting date,

12 Segment reporting

In accordance with Ind AS 108 - Operating Segments, segment information is disclosed in the consolidated financial statements of the Company and accordingly no separate segment disclosures have been furnished in these standalone financial statements of the Company.

13 Related party disclosures

(a) Name of related parties and nature of relationship

Names of the related parties	Nature of relationship
Parties where control exists	
Aragen Life Sciences Limited	Holding Company

(b) Transactions with related parties

Particulars	For the year ended	
	31 March 2024	31 March 2023
Transactions with Holding company – Aragen Life Sciences Limited		
Subscription to share capital	-	-
Contribution received	7,92,98,622	2,50,40,829
CSR projects undertaken on behalf of Holding company	-7,93,05,199	-2,50,40,829

Terms and conditions of transactions with related parties

The transactions with the related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances if any, are settled in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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

for Sunil Bandari & Co.

Chartered Accountants
 ICAI Firm Registration No: 012094S

SUNIL KUMAR BHANDARI
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 Date: 2024.05.22 18:29:04 +05'30'

Sunil Kumar Bhandari
 Partner
 Membership No. 220868

Place: Hyderabad
 Date: 22 May 2024

for and on behalf of the Board of Directors of Aragen Foundation

Manmahesh Kantipudi
Digitally signed by Manmahesh Kantipudi
 Date: 2024.05.22 18:11:27 +05'30'

Manmahesh Kantipudi
 Director
 DIN: 05241166

Place: Hyderabad
 Date: 22 May 2024

Keshav Gunupati Venkat Reddy
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 Date: 2024.05.22 18:15:54 +05'30'

Keshav Gunupati Venkat Reddy
 Director
 DIN: 06593325

Aragen Foundation
(CIN U85300DL2021NPL391515)

Notes to the standalone financial statements for the period ended March 31, 2024

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

1. Company overview

Aragen Foundation is a Company incorporated on December 21, 2021 under Section 8 of the Companies Act, 2013 and it is a wholly owned subsidiary of Aragen Life Sciences Limited. The objective of the Company is to promote to carry on various social activities for the benefit of the society at large including but not limited to philanthropic activities in the area and for furtherance of Science, alleviating poverty, promoting of health care, education, gender equality, ensuring environmental sustainability, protecting national heritage etc., The Company's headquarter is located at Plot No. 28A, IDA Nacharam, Hyderabad, Telangana 500076, India.

The financial statements for the period ended March 31, 2024 are approved by the Board of Directors on May 22, 2024.

2. Summary of significant 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).

b) Basis of preparation of financial statements

The financial statements have been prepared on a historical cost basis. The accounting policies applied by the Company are consistent with those used in the prior periods.

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 All other assets are classified as non-current.

The Company classifies all other assets as non-current.

Current versus non-current classification

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

2. Summary of significant accounting policies (continued)

d) Revenue recognition

i) Grants and Donations

Donations are recognized as income in the year in which the same are received.

The donations received with a specific directions shall form part of the corpus fund or endowment fund of the company are classified as such and are directly in the Balance sheet.

ii) Dividends

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date.

iii) Interest Income

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

g) Taxes

Tax expense comprises of current and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that 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.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been

Aragen Foundation
(CIN U85300DL2021NPL391515)

Notes to the standalone financial statements for the period ended March 31, 2024

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

2. Summary of significant accounting policies (continued)

enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India (ICAI), the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

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.

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 charged to revenue 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. Management has assessed the useful life of its fixed assets on the basis of technical expert advice and past experience in the industry. The details of useful lives as assessed by the management and as prescribed in the Schedule II of The Companies Act, 2013.

2. Summary of significant accounting policies (continued)

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 periods.

i) Intangible assets

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 four 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.

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 of 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 of 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 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 on the basis of 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.

2. Summary of significant accounting policies (continued)

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 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.

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 statement of financial position

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.

2. Summary of significant accounting policies (continued)

k) Impairment of non-financial assets

The carrying amount of property, plant and equipment and intangible assets are reviewed at each reporting date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation/amortization is provided on the revised carrying amount of the asset over its remaining useful life. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset are no longer existing or have decreased.

l) 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 recognises any impairment loss on the assets associated with that contract.

m) 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.

n) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2. Summary of significant accounting policies (continued)

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, 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 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 or Loss. The losses arising from impairment are recognised in the Statement of Profit or Loss. This category generally applies to trade and other receivables.

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 its 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.

Aragen Foundation
(CIN U85300DL2021NPL391515)

Notes to the standalone financial statements for the period ended March 31, 2024

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

2. Summary of significant accounting policies (continued)

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.

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.

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, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the 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.

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.

Cash dividend and non-cash distribution to equity holders of the parent

The Company recognises a liability to make cash or non-cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Aragen Foundation
(CIN U85300DL2021NPL391515)

Notes to the standalone financial statements for the period ended March 31, 2024

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

2. Summary of significant accounting policies (continued)

Investments

Investments that are readily realisable 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 recognise 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.

o) Earnings per equity 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.

p) Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or 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.

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