

# B S R and Co

Chartered Accountants

Salarpuria Knowledge City, Orwell  
B Wing, 6th Floor, Unit-3, Sy No. 83/1  
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## Independent Auditors' Report

**To the Board of Directors of Aragen Life Sciences Limited** (*formerly known as Aragen Life Sciences Private Limited*)

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Aragen Bioscience Inc. ("the Company"), which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, loss and other comprehensive income, 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 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 financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide for our opinion on the financial statements.

#### Other Matter

These financial statements do not constitute a set of statutory financial statements in accordance with the local laws in which the Company is incorporated and are prepared for the sole purpose of consolidation of the financial statements of Aragen Bioscience Inc. with the Holding Company- Aragen Life Sciences Limited.

### Management's and Board of Directors' Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Schedule III (Division II) to the Companies Act, 2013, as applicable, to the financial statements. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Company and for preventing and detecting

Principal Office:

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## **B S R and Co**

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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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 Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the 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 that we identify during our audit.

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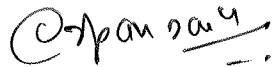
**B S R and Co**

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.

*for B S R and Co*

*Chartered Accountants*

ICAI Firm Registration Number: 128510W



**Arpan Jain**

*Partner*

Membership No.: 125710

ICAI UDIN: 24125710BKFZNU5054

Place: Hyderabad

Date: 23 May 2024

**Aragen Bioscience, Inc.****Balance Sheet as at 31 March 2024**

(All amounts in USD thousands except share data or as otherwise stated)

Particulars	Notes	As at	
		31 March 2024	31 March 2023
<b>Assets</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	3 (a)	3,368.28	3,968.41
Capital work-in-progress	3 (b)	413.53	506.12
Other intangible assets	4	116.69	199.43
Right-of-use assets	28	2,826.57	2,634.60
Non-current tax assets, net	8	147.78	121.20
Other non-current assets	7	25.88	410.38
<b>Total non-current assets</b>		<b>6,898.73</b>	<b>7,840.14</b>
<b>Current assets</b>			
Inventories	9	364.12	422.05
Financial assets			
-Trade receivables	5	2,529.88	3,456.21
-Cash and cash equivalents	6	43.55	164.69
-Other financial assets	10	936.34	-
Other current assets	7	473.26	419.84
<b>Total current assets</b>		<b>4,347.15</b>	<b>4,462.79</b>
<b>Total assets</b>		<b>11,245.88</b>	<b>12,302.93</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	11	0.19	0.19
Other equity	12	(1,853.33)	1,674.87
<b>Total equity</b>		<b>(1,853.14)</b>	<b>1,675.06</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
-Lease liabilities	28	2,114.71	2,248.23
<b>Total non-current liabilities</b>		<b>2,114.71</b>	<b>2,248.23</b>
<b>Current liabilities</b>			
Financial liabilities			
-Borrowings	13	5,400.00	3,700.00
-Lease liabilities	28	1,044.95	689.59
-Trade payables	15		
-Total outstanding dues of micro enterprises and small enterprises		-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises		2,004.87	1,419.93
-Other financial liabilities	16	862.15	807.59
Provisions	14	633.01	617.13
Other current liabilities	17	1,039.33	1,145.40
<b>Total current liabilities</b>		<b>10,984.31</b>	<b>8,379.64</b>
<b>Total liabilities</b>		<b>13,099.02</b>	<b>10,627.87</b>
<b>Total equity and liabilities</b>		<b>11,245.88</b>	<b>12,302.93</b>
Company overview and Material Accounting Policies	1 & 2		

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

As per our Report of even date attached

for **BSR and Co**

Chartered Accountants

ICAI Firm Registration No.: 128510W

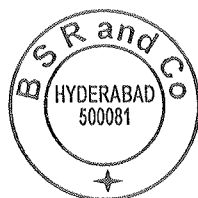
Arpan Jain

Partner

Membership No. 125710

Place: Hyderabad

Date: 23 May 2024

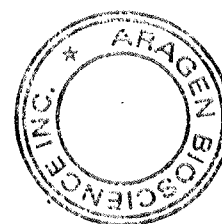
for and on behalf of the Board of Directors of  
**Aragen Bioscience, Inc.**

Manmahesh Kantipudi

Director

Place: Hyderabad

Date: 16 May 2024



**Aragen Bioscience, Inc.**

**Statement of Profit and Loss for the year ended 31 March 2024**

(All amounts in USD thousands except share data or as otherwise stated)

Particulars	Notes	For the year ended	
		31 March 2024	31 March 2023
Revenue from operations	18	19,857.88	15,491.16
Other income		421.12	240.58
<b>Total income (I)</b>		<b>20,279.00</b>	<b>15,731.74</b>
<b>Expenses</b>			
Employee benefits expense	19	11,808.54	10,293.95
Finance costs	20	535.01	238.75
Depreciation and amortisation expense	3, 4 & 28	2,570.04	2,385.15
Other expenses	21	9,084.71	7,372.62
<b>Total expense (II)</b>		<b>23,998.30</b>	<b>20,290.47</b>
<b>Loss before tax (III) = (I) - (II)</b>		<b>(3,719.30)</b>	<b>(4,558.73)</b>
<b>Tax expenses</b>			
(a) Current tax		-	-
<b>Total tax expenses (IV)</b>		<b>-</b>	<b>-</b>
<b>Loss for the year (V) = (III) - (IV)</b>		<b>(3,719.30)</b>	<b>(4,558.73)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total other comprehensive income, net of tax (VI)</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the year (VII) = (V) + (VI)</b>		<b>(3,719.30)</b>	<b>(4,558.73)</b>
<b>Earnings per share (EPS)</b>	22		
Basic		(1.99)	(2.44)
Diluted		(1.99)	(2.44)
Company overview and Material Accounting Policies	1 & 2		

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

As per our Report of even date attached

for **B S R and Co**

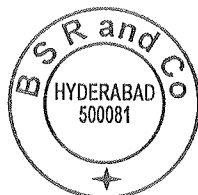
Chartered Accountants

ICAI Firm Registration No.: 128510W

**Arpan Jain**

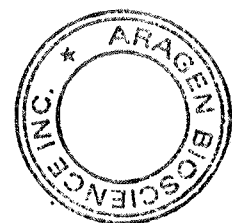
Partner

Membership No. 125710



for and on behalf of the Board of Directors of  
**Aragen Bioscience, Inc.**

**Manmohesh Kantipudi**  
Director



Place: Hyderabad

Date: 23 May 2024

Place: Hyderabad

Date: 16 May 2024

**Aragen Bioscience, Inc.**

**Statement of Changes in Equity for the year ended 31 March 2024**

(All amounts in USD thousands except share data or as otherwise stated)

**(A) Equity share capital**

Particulars	Common Stock		Preferred Stock		Total	
	Number	Amount	Number	Amount	Number	Amount
Shares of \$0.0001 each issued, subscribed and fully paid						
As at 31 March 2022	972,056	0.10	894,000	0.09	1,866,056	0.19
Issued during the year	-	-	-	-	-	-
As at 31 March 2023	972,056	0.10	894,000	0.09	1,866,056	0.19
Issued during the year	-	-	-	-	-	-
As at 31 March 2024	972,056	0.10	894,000	0.09	1,866,056	0.19

**(b) Other equity**

Particulars	Reserves and Surplus				
	Securities Premium	Share based payment reserve	Retained Earnings	Contribution from the Parent	Total other equity
As at 31 March 2022	8,640.70	299.18	(2,457.26)	-	6,482.62
Employee Stock Compensation expense	-	(277.41)	-	-	(277.41)
Contribution from Parent Company	-	-	-	28.39	28.39
Total Comprehensive loss for the year	-	-	(4,558.73)	-	(4,558.73)
As at 31 March 2023	8,640.70	21.77	(7,015.99)	28.39	1,674.87
Employee Stock Compensation income	-	30.32	-	-	30.32
Contribution from Holding Company	-	-	-	160.78	160.78
Total Comprehensive Loss for the year	-	-	(3,719.30)	-	(3,719.30)
As at 31 March 2024	8,640.70	52.09	(10,735.29)	189.17	(1,853.33)

The accompanying notes are an integral part of the financial statements

As per our Report of even date attached

for **B S R and Co**

Chartered Accountants

ICAI Firm Registration No.: 128510W

*Arpan Jain*

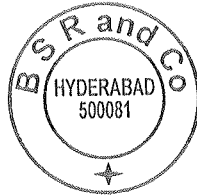
**Arpan Jain**

Partner

Membership No. 125710

Place: Hyderabad

Date: 23 May 2024



for and on behalf of the Board of Directors of  
**Aragen Bioscience, Inc.**

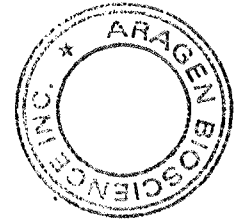
*Manmahesh Kantipudi*

**Manmahesh Kantipudi**

Director

Place: Hyderabad

Date: 16 May 2024



**Aragen Bioscience, Inc.****Statement of Cash Flows for the year ended 31 March 2024**

(All amounts in USD thousands except share data or as otherwise stated)

Particulars	For the year ended	
	31 March 2024	31 March 2023
<b>Cash flow from operating activities</b>		
<b>Loss before tax</b>	(3,719.30)	(4,558.73)
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation and amortisation expense	2,570.04	2,385.15
Finance costs	535.01	238.75
Gain on sale of property, plant and equipment	(0.95)	-
Provision for doubtful receivables	50.65	193.14
Employee stock options charge	191.10	(249.02)
<b>Adjustments for working capital :</b>		
Decrease/(increase) in inventories	57.93	(51.56)
Decrease/(Increase) in trade receivables	875.68	(508.94)
(Decrease)/Increase in provisions	15.88	(212.43)
Decrease/(Increase) in other assets	(1,013.30)	(41.69)
(Decrease)/Increase in trade payables	584.94	330.61
(Decrease)/Increase in other financial liabilities	422.38	(207.29)
(Decrease)/Increase in other liabilities	(106.07)	335.25
<b>Cash (used in)/ generated from operations</b>	<b>463.99</b>	<b>(2,346.76)</b>
Income taxes paid (net)	(26.58)	(68.64)
<b>Net cashflow generated from operating activities (a)</b>	<b>437.41</b>	<b>(2,415.40)</b>
<b>Cash flow used in investing activities</b>		
Purchase of Property, Plant and Equipment (net of capital advance, capital creditors, and capital work-in-progress)	(1,034.41)	(952.13)
Proceeds from sale of property, plant and equipment	203.30	-
<b>Net cash generated from investing activities (b)</b>	<b>(831.11)</b>	<b>(952.13)</b>
<b>Cash flow from financing activities</b>		
Proceeds from short-term borrowings	1,700.00	3,700.00
Repayment of lease liabilities, net	(1,038.86)	(758.30)
Finance costs paid	(388.58)	(136.61)
<b>Net cash generated from financing activities (c)</b>	<b>272.56</b>	<b>2,805.09</b>
Net decrease in cash and cash equivalents (a+b+c)	(121.14)	(562.44)
Cash and cash equivalents at the beginning of the year	164.69	727.13
<b>Cash and cash equivalents at the end of the year (refer note 6)</b>	<b>43.55</b>	<b>164.69</b>

The above statement of cash flows have been prepared under the 'Indirect method' as set out in the Indian Accounting Standard (Ind AS) 7 - "Statement of Cash flows"

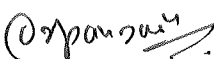
The accompanying notes are an integral part of the financial statements

As per our Report of even date attached

for **BSR and Co**

Chartered Accountants

ICAI Firm Registration No.: 128510W



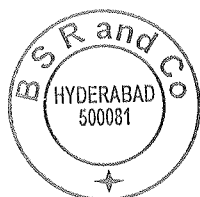
**Arpan Jain**

Partner

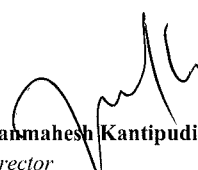
Membership No. 125710

Place: Hyderabad

Date: 23 May 2024

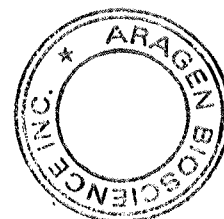


for and on behalf of the Board of Directors of  
**Aragen Bioscience, Inc.**

  
**Manmahesh Kantipudi**  
Director

Place: Hyderabad

Date: 16 May 2024



## **Aragen Bioscience, Inc.**

### **Notes to the financial statements for the year ended 31 March 2024**

#### **1. Company overview**

Aragen Bioscience, Inc., (the “Company” or “Aragen”) was incorporated on 17 September 2004 to engage in any lawful activity in accordance with the General Corporation Law of California and 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 research and development services to the biotech and pharmaceutical companies. The Company is headquartered in California, United States of America (“USA”).

#### **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 16 May 2024.

##### **b) Basis of preparation of financial statements**

The financial statements have been prepared to assist the Holding Company for preparation of their consolidated financial statements. Accordingly, these financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (“the Rules”).

The financial statements have been prepared on a historical cost basis, except for Certain financial assets and liabilities that are measured at fair value.

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

The Company classifies all other assets as non-current.

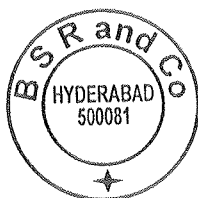
A liability is current when:

- 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.

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**Aragen Bioscience, Inc.**

**Notes to the financial statements for the year ended 31 March 2024 (continued)**

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

**2. Summary of material accounting policies (Continued)**

**d) 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.

**e) Revenue recognition**

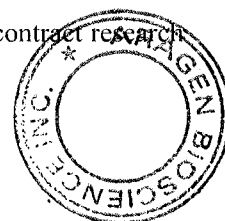
**Revenue from contracts with customers**

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

**Contract research services and Pharmaceutical Products Sales**

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

In respect of contracts involving research services, in case of 'time and materials' contracts, contract research fee are recognised as services are rendered, in accordance with the terms of the contracts.



**Aragen Bioscience, Inc.**

**Notes to the financial statements for the year ended 31 March 2024 (continued)**

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

**2. Summary of material accounting policies (Continued)**

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 compounds arising out of contract research, revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, 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”).

**Use of Significant Judgements in revenue recognition:**

The Company’s contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products/services promised in a 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.

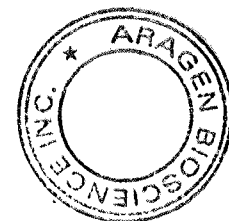
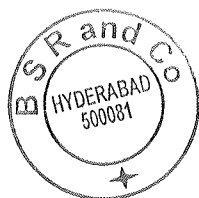
The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of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

**f) 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



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**Aragen Bioscience, Inc.**

**Notes to the financial statements for the year ended 31 March 2024 (continued)**

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

**2. Summary of material accounting policies (Continued)**

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 assets are not recognised due to existence of unused tax losses. The existence of continuous tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company has not recognised a deferred tax asset or liabilities as there is no convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets, unrecognised or recognised, 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.

**g) 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.

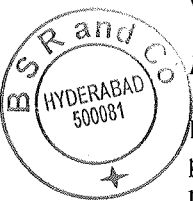
The Company adopted cost model as its accounting policy, in recognition of the property, plant and equipment and recognises transaction value as the cost.

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 recognized in statement of profit and loss as incurred.



**Aragen Bioscience, Inc.**

**Notes to the financial statements for the year ended 31 March 2024 (continued)**

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

**2. Summary of material accounting policies (Continued)**

***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.

<b>Nature of the assets</b>	<b>Useful life</b>
Laboratory equipment	3 to 5 Years
Office equipment	3 to 5 Years
Vehicles	5 Years

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.

**h) 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.

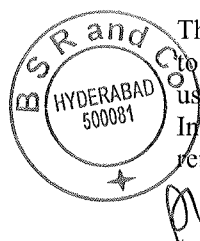
**i) Leases**

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.

***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.



**Aragen Bioscience, Inc.**

**Notes to the financial statements for the year ended 31 March 2024 (continued)**

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

**2. Summary of material accounting policies (Continued)**

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 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.

**j) Inventories**

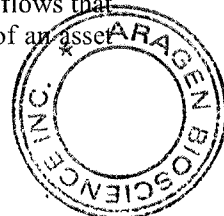
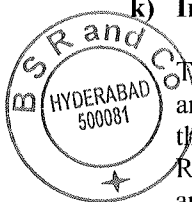
Raw material in the nature of chemicals, stores and spares and other consumables are carried at cost. Cost includes purchase price, duties and taxes (other than those subsequently recoverable by the Company from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing 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.

**k) 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



**Aragen Bioscience, Inc.**

**Notes to the financial statements for the year ended 31 March 2024 (continued)**

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

**2. Summary of material accounting policies (Continued)**

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 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.

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

**m) Retirement and other employee benefits**

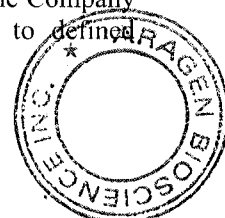
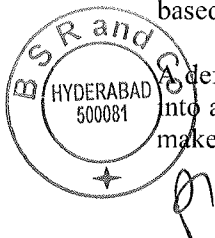
*Short-term employee benefits*

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.

*Defined contribution plans*

The Company's contribution towards 401K plan 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 401K Plan. Obligations for contributions to defined



**Aragen Bioscience, Inc.**

**Notes to the financial statements for the year ended 31 March 2024 (continued)**

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

**2. Summary of material accounting policies (Continued)**

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.

*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

**n) 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

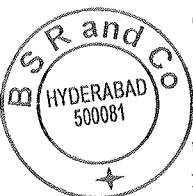
When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment 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.

**o) Financial instruments:**

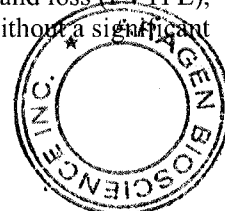
**Initial recognition and measurement:**

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.



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**Aragen Bioscience, Inc.**

**Notes to the financial statements for the year ended 31 March 2024 (continued)**

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

**2. Summary of material accounting policies (Continued)**

**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 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.

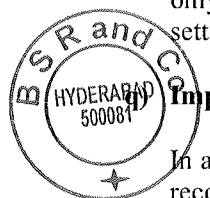
When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards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

**p) Offsetting**

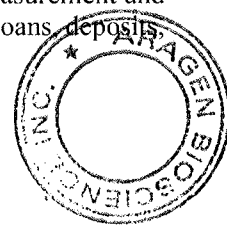
Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability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

**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, trade receivables and bank balance.



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**Aragen Bioscience, Inc.**

**Notes to the financial statements for the year ended 31 March 2024 (continued)**

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

**2. Summary of material accounting policies (Continued)**

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.

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

**r) 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.

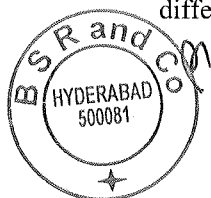
**s) Loans and borrowings**

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.



**Aragen Bioscience, Inc.**

**Notes to the financial statements for the year ended 31 March 2024 (continued)**

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

**2. Summary of material accounting policies (Continued)**

**Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

**t) 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.

**u) 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.

**v) 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.

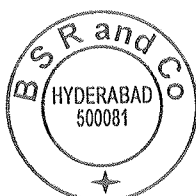
**w) Statement of Cash flows**

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.

**x) 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.

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Aragen Bioscience, Inc.

Notes to the financial statements for the year ended 31 March 2024 (continued)

(All amounts in USD thousands except share data or as otherwise stated)

3 (a) Property, plant and equipment

Particulars	Lab equipment and furniture	Office equipment	Leasehold improvements	Total
<b>Gross carrying amount</b>				
<b>Balance as at 1 April 2022</b>	6,574.75	307.60	4,194.54	11,076.89
Additions during the year	550.70	5.45	95.65	651.80
Disposals during the year	-	-	-	-
<b>Balance as at 1 April 2023</b>	7,125.45	313.05	4,290.19	11,728.69
Additions during the year	1,090.74	49.11	116.96	1,256.81
Disposals during the year	280.17	1.68	-	281.85
<b>Balance as at 31 March 2024</b>	7,936.02	360.48	4,407.15	12,703.65
<b>Accumulated depreciation</b>				
<b>Balance as at 1 April 2022</b>	3,804.23	203.08	2,215.53	6,222.84
Charge for the year	950.39	43.92	543.13	1,537.44
Disposals	-	-	-	-
<b>Balance as at 1 April 2023</b>	4,754.62	247.00	2,758.66	7,760.28
Charge for the year	1,058.07	38.77	557.75	1,654.59
Disposals	79.38	0.12	-	79.50
<b>Balance as at 31 March 2024</b>	5,733.31	285.65	3,316.41	9,335.37
<b>Net carrying amount</b>				
<b>Balance as at 31 March 2024</b>	2,202.71	74.83	1,090.74	3,368.28
Balance as at 31 March 2023	2,370.83	66.05	1,531.53	3,968.41

3 (b) Capital work-in-progress

Particulars	Amount
<b>Balance as at 31 March 2024</b>	
<b>Cost</b>	
Balance as at 1st April 2023	506.12
Additions during the year	1,170.29
Capitalised during the year	(1,262.88)
Transferred to Parent company during the year	-
<b>Balance as at 31 March 2024</b>	<b>413.53</b>
<b>Balance as at 31 March 2023</b>	
<b>Cost</b>	
Balance as at 1 April 2022	522.13
Additions during the year	506.12
Capitalised during the year	(61.20)
Transferred to Parent company during the year	(460.93)
<b>Balance as at 31 March 2023</b>	<b>506.12</b>

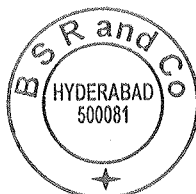
Ageing for capital work-in-progress as at March 31, 2024

Particulars	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3years	> 3 years	
Projects in progress	184.60	228.93	-	-	413.53
Projects temporarily suspended	-	-	-	-	-

Ageing for capital work-in-progress as at March 31, 2023

Particulars	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3years	> 3 years	
Projects in progress	506.12	-	-	-	506.12
Projects temporarily suspended	-	-	-	-	-

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**Aragen Bioscience, Inc.**

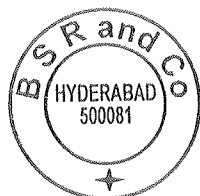
**Notes to the financial statements for the year ended 31 March 2024 (continued)**

(All amounts in USD thousands except share data or as otherwise stated)

**4 Other Intangible assets**

<b>Particulars</b>	<b>Licence</b>	<b>Computer Software</b>	<b>Total</b>
<b>Gross carrying amount</b>			
<b>Balance as at 1 April 2022</b>	<b>333.50</b>	<b>-</b>	<b>333.50</b>
Additions during the year	-	264.93	264.93
Disposals during the year	-	-	-
<b>Balance as at 1 April 2023</b>	<b>333.50</b>	<b>264.93</b>	<b>598.43</b>
Additions during the year	-	6.08	6.08
Disposals during the year	-	-	-
<b>Balance as at 31 March 2024</b>	<b>333.50</b>	<b>271.01</b>	<b>604.51</b>
<b>Accumulated amortization</b>			
<b>Balance as at 1 April 2022</b>	<b>222.33</b>	<b>-</b>	<b>222.33</b>
Charge for the year	111.16	65.50	176.66
Disposals	-	-	-
<b>Balance as at 1 April 2023</b>	<b>333.50</b>	<b>65.50</b>	<b>398.99</b>
Charge for the year	-	88.82	88.82
Disposals	-	-	-
<b>Balance as at 31 March 2024</b>	<b>333.50</b>	<b>154.32</b>	<b>487.81</b>
<b>Net carrying amount</b>			
<b>Balance as at 31 March 2024</b>	<b>0.00</b>	<b>116.69</b>	<b>116.69</b>
Balance as at 31 March 2023	0.00	199.43	199.43

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**Aragen Bioscience, Inc.**

**Notes to the financial statements for the year ended 31 March 2024 (continued)**

(All amounts in USD thousands except share data or as otherwise stated)

**5 Trade receivables**

Particulars	As at	
	31 March 2024	31 March 2023
(Unsecured)		
- Considered good		
- related parties	443.66	524.43
- other parties	2,086.22	2,931.78
	<b>2,529.88</b>	<b>3,456.21</b>
- Considered doubtful		
- related parties	-	-
- other parties	480.07	429.42
	<b>3,009.95</b>	<b>3,885.63</b>
Less: Provision for loss allowance	(480.07)	(429.42)
<b>Total</b>	<b>2,529.88</b>	<b>3,456.21</b>
	<b>31 March 2024</b>	<b>31 March 2023</b>
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	2,529.88	3,456.21
Trade receivables which have significant increase in credit risk	480.07	429.42
Trade receivables - credit impaired	-	-
<b>Total</b>	<b>3,009.95</b>	<b>3,885.63</b>
Provision for loss allowance	(480.07)	(429.42)
<b>Total</b>	<b>2,529.88</b>	<b>3,456.21</b>

**Trade Receivables ageing schedule as at 31 March 2024:**

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			< 6 months	6 months-1 year	1-2years	2-3years	> 3years	
(i)Undisputed Trade receivables – considered good	-	1,684.70	845.18	-	-	-	-	2,529.88
(ii)Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	63.98	169.72	26.00	29.22	288.92
(iii) Undisputed Trade Receivables – credit Impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	163.32	27.83	191.15
(iv) Disputed Trade Receivables - credit Impaired	-	-	-	-	-	-	-	-
<b>Gross trade receivables</b>	-	<b>1,684.70</b>	<b>845.18</b>	<b>63.98</b>	<b>169.72</b>	<b>189.32</b>	<b>57.05</b>	<b>3,009.95</b>
<b>Less: Allowance provision</b>								<b>(480.07)</b>
<b>Net trade receivables</b>								<b>2,529.88</b>

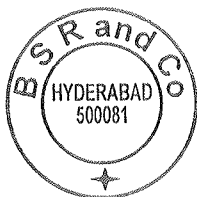
**Trade Receivables ageing schedule as at 31 March 2023:**

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			< 6 months	6 months-1 year	1-2years	2-3years	> 3years	
(i)Undisputed Trade receivables – considered good	-	2,687.87	768.34	-	-	-	-	3,456.21
(ii)Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	46.40	236.65	-	0.04	283.09
(iii) Undisputed Trade Receivables – credit Impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	71.94	17.38	27.30	29.71	146.33
(iv) Disputed Trade Receivables - credit Impaired	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>2,687.87</b>	<b>768.34</b>	<b>118.34</b>	<b>254.03</b>	<b>27.30</b>	<b>29.75</b>	<b>3,885.63</b>
<b>Less: Allowance provision</b>								<b>(429.42)</b>
<b>Net trade receivables</b>								<b>3,456.21</b>

- (i) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is partner, a director or a member.
- (ii) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.
- (iii) Information on Company's exposure to Credit risk is given in Note 25.
- (iv) Reconciliation of loss allowance

Particulars	Amount
Provision for loss allowance as on 31 March 2022	236.28
Provision made during the year, net of utilisation	193.14
Write off made during the year	-
<b>Provision for loss allowance as on 31 March 2023</b>	<b>429.42</b>
Provision made during the year, net of utilisation	50.65
Write off made during the year	-
<b>Provision for loss allowance as on 31 March 2024</b>	<b>480.07</b>

- (v) Refer Note 29 for related party transactions



**Aragen Bioscience, Inc.**

**Notes to the financial statements for the year ended 31 March 2024 (continued)**

(All amounts in USD thousands except share data or as otherwise stated)

**6 Cash and cash equivalents**

Particulars	As at	
	31 March 2024	31 March 2023
Balances with banks		
- On current accounts	43.50	164.64
Cash on hand	0.05	0.05
	<b>43.55</b>	<b>164.69</b>

Information on Company's exposure to Credit risk is given in Note 25.

**7 Other assets**

Particulars	As at	
	31 March 2024	31 March 2023
(Unsecured, considered good)		
<b>Non-current</b>		
Capital advances	-	408.05
Deposits	24.79	-
Prepaid expenses	1.09	2.33
	<b>25.88</b>	<b>410.38</b>
<b>Current</b>		
Advance for expenses	214.96	22.37
Deposits	14.13	38.92
Prepaid expenses	244.17	358.55
	<b>473.26</b>	<b>419.84</b>

**8 Non-current tax assets, net**

Particulars	As at	
	31 March 2024	31 March 2023
Tax assets	147.78	121.20
	<b>147.78</b>	<b>121.20</b>

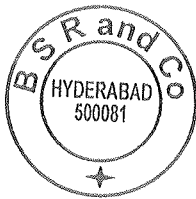
**9 Inventories**

Particulars	As at	
	31 March 2024	31 March 2023
<b>Valued at the lower of cost and net realisable value</b>		
Chemicals and consumables	364.12	422.05
	<b>364.12</b>	<b>422.05</b>

**10 Other financial assets**

Particulars	As at	
	31 March 2024	31 March 2023
Employee advances	4.28	-
Other receivables	932.06	-
	<b>936.34</b>	<b>-</b>

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**Aragen Bioscience, Inc.**

**Notes to the financial statements for the year ended 31 March 2024 (continued)**

(All amounts in USD thousands except share data or as otherwise stated)

**11 Share capital**

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
<b>Authorized</b>				
<b>Common Stock</b>				
Series A of \$0.0001 each	10,000,000	1.00	10,000,000	1.00
Series B of \$0.0001 each	10,000,000	1.00	10,000,000	1.00
	<b>20,000,000</b>	<b>2.00</b>	<b>20,000,000</b>	<b>2.00</b>
<b>Preferred Stock</b>				
Series A of \$0.0001 each	5,000,000	0.50	5,000,000	0.50
Series B of \$0.0001 each	5,000,000	0.50	5,000,000	0.50
	<b>10,000,000</b>	<b>1.00</b>	<b>10,000,000</b>	<b>1.00</b>
<b>Issued, subscribed and fully paid-up</b>				
<b>Common stock</b>				
Series A of \$0.0001 each	796,000	0.08	796,000	0.08
Series B of \$0.0001 each	176,056	0.02	176,056	0.02
<b>Total</b>	<b>972,056</b>	<b>0.10</b>	<b>972,056</b>	<b>0.10</b>
<b>Preferred Stock</b>				
Series A of \$0.0001 each	725,000	0.07	725,000	0.07
Series B of \$0.0001 each	169,000	0.02	169,000	0.02
<b>Total</b>	<b>894,000</b>	<b>0.09</b>	<b>894,000</b>	<b>0.09</b>

**(a) Reconciliation of shares outstanding at the beginning and end of the reporting period**

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
<b>Common stock</b>				
<b>Series A</b>				
Balance at the beginning of the year	796,000	0.08	796,000	0.08
<b>Series B</b>				
Balance at the beginning of the year	176,056	0.02	176,056	0.02
<b>Balance at the end of the year</b>	<b>972,056</b>	<b>0.10</b>	<b>972,056</b>	<b>0.10</b>
<b>Preferred Stock</b>				
<b>Series A</b>				
Balance at the beginning of the year	725,000	0.07	725,000	0.07
<b>Series B</b>				
Balance at the beginning of the year	169,000	0.02	169,000	0.02
<b>Balance at the end of the year</b>	<b>894,000</b>	<b>0.09</b>	<b>894,000</b>	<b>0.09</b>

**(b) Terms/rights attached to common stock**

The Company has one class of common stock having a par value of \$0.0001 per share. Each holder of Series A common stock is entitled to one vote per share and Each holder of Series B common stock is entitled to ten votes per share.

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

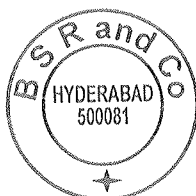
**Terms/rights attached to preferred stock**

The holders of Series A and Series B preferred stock have rights identical with the holders of common stock except with respect of liquidation.

**(c) Shares held by Holding Company**

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
Aragen Life Sciences Limited (formerly known as Aragen Life Sciences Private Limited), Holding company				
Common stock	972,056	0.10	972,056	0.10
Preferred stock	894,000	0.09	894,000	0.09

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**Aragen Bioscience, Inc.**

**Notes to the financial statements for the year ended 31 March 2024 (continued)**

(All amounts in USD thousands except share data or as otherwise stated)

**11 Share capital (continued)**

**(d) Details of shareholders holding more than 5% common stock in the Company**

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	% of holding	Number of shares	% of holding
Aragen Life Sciences Limited	972,056	100%	972,056	100%

**(e) Details of shareholders holding more than 5% preferred stock in the Company**

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	% of holding	Number of shares	% of holding
Aragen Life Sciences Limited	894,000	100%	894,000	100%

**Note (a) :** 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.

**(f) Shares reserved for issue under employee stock option scheme:**

During the financial year 2019, the Company's Board of Directors adopted, the Company's Omnibus Equity Incentive Plan (the plan). Under the plan, the option exercise price per share would be \$7.42 per share. The Option granted under the plan would vest over 4 years. The fair value of the option on the grant date is \$7.42 per share. The Company has approved 168,000 shares under the plan in July 2018. During the financial year 2024, the Company has issued fresh options of 16,794 with an option exercise price of \$9.18 per share.

**Changes in number of shares representing stock options outstanding as at 31 March 2024 were as follows:**

	As at 31 March 2024		As at 31 March 2023	
	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
Outstanding at the beginning of the year	8,640	7.42	52,575	12.47
Granted during the year	16,794	9.18	-	-
Forfeited during the year	-	-	43,935	13.26
Outstanding at the end of the year	25,434	8.58	8,640	7.42
Exercisable at the end of the year	8,640	7.42	8,640	7.42

The fair value of options was estimated at the date of grant using the Black-Scholes-Merton method with the following assumptions:

	31 March 2024	31 March 2023
Risk free interest rate	5.43%	2.75%
Expected life of share options (years)	1.00	5.51
Expected volatility (%)	26.50%	26.50%
Expected dividend yield (%)	0.00%	0.00%

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

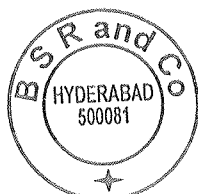
**Issue of Holding Company Employee Stock Option during the year**

During the current year, the employees of the Company have been issued share options of the holding company under the ESOP-2022 incentive plan of the holding company. The total number of share options received by the employees of the Company are 76,971 (performance based: 58,866 share options and service based: 18,105 share options) (FY23: 43,377 - performance based: 30,983 share options and service based: 12,394 share options) at exercise price of 0.12 \$ per share with a vesting period of 1 year.

**Shares held by the promoters**

Particulars	As at 31 March 2024		As at 31 March 2023		
	No. of Shares	% of total shares	No. of Shares	% of total shares	% Change during the year
Aragen Life Sciences Limited (formerly known as Aragen Life Sciences Private Limited)					
- Common stock	972,056	0.10	972,056	0.10	-
- Preferred stock	894,000	0.09	894,000	0.09	-

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**Aragen Bioscience, Inc.**

**Notes to the financial statements for the year ended 31 March 2024 (continued)**

(All amounts in USD thousands except share data or as otherwise stated)

**12 Other equity**

Particulars	As at	
	31 March 2024	31 March 2023
<b>Securities premium</b>		
Balance at the beginning of the year	8,640.70	8,640.70
Add: Received during the year	-	-
Less: utilised during the year	-	-
<b>Balance at the end of the year</b>	<b>8,640.70</b>	<b>8,640.70</b>
<b>Retained earnings</b>		
Balance at the beginning of the year	(7,015.99)	(2,457.26)
Loss for the year	(3,719.30)	(4,558.73)
<b>Balance at the end of the year</b>	<b>(10,735.29)</b>	<b>(7,015.99)</b>
<b>Share based payment reserve</b>		
Balance at the beginning of the year	21.77	299.18
Add: Gross compensation for stock options granted/ (forfeited) during the year	30.32	(277.41)
<b>Balance at the end of the year</b>	<b>52.09</b>	<b>21.77</b>
<b>Contribution from the Parent</b>		
Balance at the beginning of the year	28.39	-
Add: Contribution during the year	160.78	28.39
<b>Balance at the end of the year</b>	<b>189.17</b>	<b>28.39</b>
<b>Total</b>	<b>(1,853.33)</b>	<b>1,674.87</b>

**Securities premium reserve**

The amount received in excess of face value of the equity shares is recognised in securities premium reserve.

**Share based payment reserve**

The share-based payment reserve is used to recognise the value of equity-settled share based payments provided to employees, including key management personnel, as part of their remuneration. The amounts recorded in this account are transferred to share premium upon exercise of stock options by employees. In case of lapse, corresponding balance is transferred to general reserve.

**Retained earnings**

Retained earnings mainly represent all current and prior year profits as disclosed in the statement of profit and loss less dividend distribution and transfers to general reserve.

**13 Borrowings**

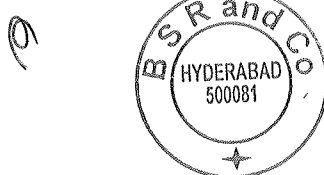
Particulars	As at	
	31 March 2024	31 March 2023
<b>Non-current</b>		
<b>Secured</b>		
Working capital loans from banks (refer note below)	5,400.00	3,700.00
<b>Total</b>	<b>5,400.00</b>	<b>3,700.00</b>

Note:

(i) Pari-passu first charge on all of grantor's personal property of every kind and nature, including, without limitation, all accounts (including healthcare insurance receivables), goods (including inventory, equipment, fixtures and any accessions thereto and embedded software), chattel paper (whether electronic, tangible or intangible), documents instruments (including promissory notes), general intangibles, letter of credit rights (whether or not the letter of credit is evidenced by a writing), supporting obligations, commercial tort claims, investment property (including securities), money, deposit accounts, and other contract rights or rights to the payment of money. The loan is repayable on demand.

(ii) Interest on the unpaid principal balance of this loan will be calculated using a rate of 200 basis points over SOFR advance.

(iii) The Holding Company, Aragen Life Sciences Limited has provided a corporate guarantee amounting to \$ 6,500 for raising working capital from banks and financial institutions.



**Aragen Bioscience, Inc.**

**Notes to the financial statements for the year ended 31 March 2024 (continued)**

(All amounts in USD thousands except share data or as otherwise stated)

**13 Borrowings (continued)**

**(a) Changes in liabilities arising from financial liabilities**

The following table sets out an analysis of the movements in net debt for the year:

Particulars	Liabilities from financing activities			Total
	Current borrowings	Leases	Interest accrued	
As on 31 March 2022	-	3,039.41	8.81	3,048.22
Interest expense	-	81.26	157.49	238.75
Cash flows	3,700.00	(758.30)	-	2,941.70
Non-cash flows	-	575.45	-	575.45
Interest paid	-	-	(136.61)	(136.61)
As on 31 March 2023	3,700.00	2,937.82	29.69	6,667.51
Cash flows	1,700.00	(1,038.86)	-	661.14
Non-cash flows	-	1,132.63	-	1,132.63
Interest expense	-	128.07	406.94	535.01
Interest paid	-	-	(388.58)	(388.58)
As on 31 March 2024	5,400.00	3,159.66	48.05	8,607.71

**14 Provisions**

Particulars	As at	
	31 March 2024	31 March 2023
<b>Current</b>		
Provision for employee benefits		
-Compensated absences	633.01	617.13
	<b>633.01</b>	<b>617.13</b>

**15 Trade payables**

Particulars	As at	
	31 March 2024	31 March 2023
-Total outstanding dues of micro and small enterprises	-	-
-Total outstanding dues of creditors other than micro and small enterprises	2,004.87	1,419.93
	<b>2,004.87</b>	<b>1,419.93</b>

i) Trade payables are non-interest bearing and are normally settled on 30 to 45 day terms.

ii) Information on Company's exposure to Credit risk is given in Note 25.

iii) Refer Note 29 for related party disclosures

**Trade payables ageing schedule as at 31 March 2024**

Particulars	Not Due- Trade Payables	Outstanding for following periods from due date of payment				Total
		< 1 year	1-2 years	2-3years	> 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	625.66	1,185.39	20.33	1.02	-	1,832.40
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
(v) Accrued for Expenses	-	-	-	-	-	172.47
<b>Total</b>	<b>625.66</b>	<b>1,185.39</b>	<b>20.33</b>	<b>1.02</b>	<b>-</b>	<b>2,004.87</b>

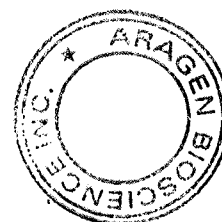
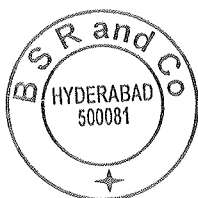
**Trade payables ageing schedule as at 31 March 2023**

Particulars	Not Due- Trade Payables	Outstanding for following periods from due date of payment				Total
		< 1 year	1-2 years	2-3years	> 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	352.49	903.82	8.39	0.16	2.97	1,267.83
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
(v) Accrued for Expenses	-	-	-	-	-	152.10
<b>Total</b>	<b>352.49</b>	<b>903.82</b>	<b>8.39</b>	<b>0.16</b>	<b>2.97</b>	<b>1,419.93</b>

**16 Other financial liabilities**

Particulars	As at	
	31 March 2024	31 March 2023
<b>Current</b>		
Creditors for capital goods	-	386.18
Dues to employees	761.41	369.53
Interest accrued but not due	48.05	29.69
Other payables	52.69	22.19
	<b>862.15</b>	<b>807.59</b>

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**Aragen Bioscience, Inc.**

**Notes to the financial statements for the year ended 31 March 2024 (continued)**

(All amounts in USD thousands except share data or as otherwise stated)

**17 Other current liabilities**

Particulars	As at	
	31 March 2024	31 March 2023
Contract liabilities	224.01	232.30
Deferred income	755.08	882.38
Statutory liabilities	60.24	30.72
	<b>1,039.33</b>	<b>1,145.40</b>

**18 Revenue from operations**

Particulars	For the year ended	
	31 March 2024	31 March 2023
<b>Revenue from services:</b>		
- Contract research services	19,857.88	15,491.16
	<b>19,857.88</b>	<b>15,491.16</b>

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.

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially satisfied) performance obligations, along with the broad time band for the expected time to recognise those revenues, the company has applied the practical expedient in Ind AS 115. Accordingly, the company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts. Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is \$755.08 (31 March 2023: \$882.38) out of which 100% is expected to be recognised as revenue in the next year. No consideration from contracts with customers is excluded from the amount mentioned above.

**(a) Information about products and services**

The Company deals in different types of services

Services	Timing of recognition (Over the period / Point in time)	For the year ended	
		31 March 2024	31 March 2023
Sale of services	Over the period	19,857.88	15,491.16
<b>Total</b>		<b>19,857.88</b>	<b>15,491.16</b>

**(b) Contract balances:**

	For the year ended	
	31 March 2024	31 March 2023
Trade receivables (Refer note 5)	2,529.88	3,456.21
Contract liabilities (Refer note 17)	224.01	232.30

**Disaggregated Revenue information**

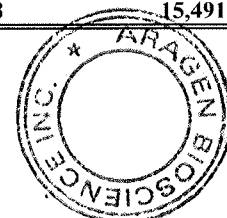
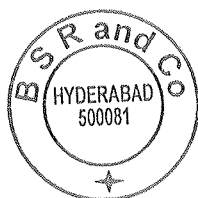
Particulars	For the year ended	
	31 March 2024	31 March 2023
<b>Revenues from Contract research services income by geography</b>		
North America	16,716.85	13,673.96
Europe	1,963.31	798.77
India	286.70	233.14
Others	891.02	785.29
	<b>19,857.88</b>	<b>15,491.16</b>

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	31 March 2023
Contract price	19,857.88	15,491.16
Less : Discounts	-	-
<b>Revenue from operations</b>	<b>19,857.88</b>	<b>15,491.16</b>

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**Aragen Bioscience, Inc.**

**Notes to the financial statements for the year ended 31 March 2024 (continued)**

(All amounts in USD thousands except share data or as otherwise stated)

**19 Employee benefits expense**

Particulars	For the year ended	
	31 March 2024	31 March 2023
Salaries, Wages and Bonus	9,707.52	8,512.79
Employee stock compensation expenses	191.10	(249.02)
Contribution to other funds (note a)	278.24	265.34
Staff welfare expenses	1,631.68	1,764.84
	<b>11,808.54</b>	<b>10,293.95</b>

**(a) Defined contribution plan**

During year ended 31 March 2024, the Company contributed \$278.24 (31 March 2023: \$265.34) to Company Sponsored Retirement Account.

**20 Finance costs**

Particulars	For the year ended	
	31 March 2024	31 March 2023
Interest on borrowings	406.94	157.49
Interest on lease liabilities	128.07	81.26
	<b>535.01</b>	<b>238.75</b>

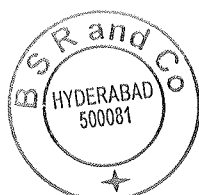
**21 Other expenses**

Particulars	For the year ended	
	31 March 2024	31 March 2023
<b>Direct expenses:</b>		
Chemicals and consumables	2,876.27	3,720.13
Other direct expenses	524.18	437.40
<b>Indirect expenses:</b>		
<b>Repairs to:</b>		
- Buildings	39.07	26.49
- Machinery	451.75	396.71
- Others	12.07	1.10
Common Area Maintenance & Power charges	498.72	421.21
Insurance	50.09	50.35
Rates and taxes	143.83	114.77
Communication expenses	75.87	70.55
Office maintenance expenses	270.73	255.29
Travelling and conveyance	223.81	182.17
Consultancy and professional charges	3,533.76	1,149.75
Printing and stationery	2.81	3.06
Provision for doubtful receivables	50.65	193.14
Subscription fees	199.94	152.22
Business development expenses	59.37	131.37
Payment to the auditor (refer note a)	13.00	17.00
Miscellaneous expenses	58.79	49.91
	<b>9,084.71</b>	<b>7,372.62</b>

**(a) Payments to the auditor**

Particulars	For the year ended	
	31 March 2024	31 March 2023
Audit fee	13.00	17.00
	<b>13.00</b>	<b>17.00</b>

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**Aragen Bioscience, Inc.**

**Notes to the financial statements for the year ended 31 March 2024 (continued)**

(All amounts in USD thousands except share data or as otherwise stated)

**22 Earnings per share (EPS)**

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

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

Particulars	For the year ended	
	31 March 2024	31 March 2023
Loss for the year	(3,719.30)	(4,558.73)
Weighted average number of equity shares in calculating basic EPS	1,866,056	1,866,056
Nominal value per equity share	0.0001	0.0001
<b>Effect of dilution:</b>		
Weighted average number of equity shares in calculating basic and diluted EPS	1,866,056	1,866,056
Basic and Diluted earnings per share	(1.99)	(2.44)

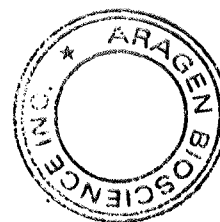
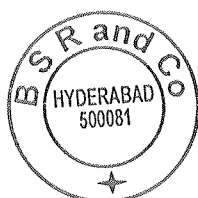
**23 Fair value measurements**

**(i) Break-up of financial assets and financial liabilities carried at amortized cost**

Particulars	As at	
	31 March 2024	31 March 2023
<b>Financial assets</b>		
Trade receivables	2,529.88	3,456.21
Other financial asset	936.34	-
Cash and cash equivalents	43.55	164.69
<b>Total</b>	<b>3,509.77</b>	<b>3,620.90</b>
<b>Financial liabilities</b>		
Lease liabilities	3,159.66	2,937.82
Short term borrowings	5,400.00	3,700.00
Trade payables	2,004.87	1,419.93
Other financial liabilities	862.15	807.59
<b>Total</b>	<b>11,426.68</b>	<b>8,865.34</b>

(ii) The Company's principal financial liabilities comprises of borrowings, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets includes loans, trade and other receivables, cash and cash equivalents and other financial assets that derive directly from its operations. For all other amortised cost instruments, carrying value represents the best estimate of fair value.

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**Aragen Bioscience, Inc.**

**Notes to the financial statements for the year ended 31 March 2024 (continued)**

(All amounts in USD thousands except share data or as otherwise stated)

**24 Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Judgements**

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

**Leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

**Useful lives of property, plant and equipment**

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

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**Going concern assumption**

As at 31 March 2024, the Company has a net current liability of \$ (6,637.16) (FY23: net current liability:\$ 3,916.85). The Company's earnings before depreciation and amortisation, interest and before tax are \$ (614.25) (FY23: \$1,934.83) for the year ended 31 March 2024. The management also expects that there will be significant increase in the operations of the Company, leading to improved cashflow which would be further backed by the continuous support from the Parent Company to meet the operational requirements as they arise and meet its liability as and when due. Accordingly, these financial statements does not include any adjustments relating to the recoverability and classification of carrying value of assets or the amounts and classification of liabilities that may be necessary if the entity is unable to continue as a going concern.

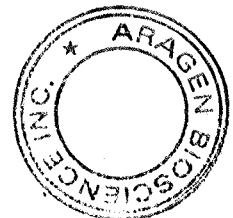
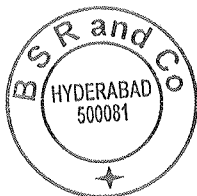
**Impairment of non-financial assets**

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 (Discounted cash flow) 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.

**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, the Company also creates specific provision for impairment loss on a case to case basis. Loss allowance for financial assets measured at amortised cost are deducted from gross carrying amount of the assets.

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**25 Financial risk management objectives and policies**

The Company's principal financial liabilities, 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 trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company is exposed to credit risk, liquidity risk, interest rate risk, market risk and currency risk. The Company's senior management oversees the management of these risks.

**Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

**Trade receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the geography in which it operates. Credit risk is managed by continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company also establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables. The carrying amounts of trade receivables as disclosed in note no. 5 represent the maximum credit risk exposure.

**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.

**Liquidity risk**

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of short-term bank loans and by way of support from its Holding Company. The Company assessed the concentration of risk with respect to debt refinancing as low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

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

Particulars	As at	
	31 March 2024	31 March 2023
<b>On demand</b>		
- Borrowings	5,400.00	3,700.00
<b>Less than 1 Year</b>		
- Lease liabilities	1,187.53	785.42
- Other financial liabilities	862.15	807.59
- Trade payables	2,004.87	1,419.93
<b>1 to 5 years</b>		
- Lease liabilities	2,215.98	2,402.54
<b>More than 5 years</b>		
- 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.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Company and the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk relates primarily to the floating interest rate borrowings.

**Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return. Our Board of Directors are responsible for overseeing our risk assessment and management policies. Our major market risks of foreign exchange and interest rate risk are managed by our finance department, which evaluates and exercises independent control over the entire process of market risk management.

**Currency Risk**

The functional currency of the Company is primarily the local currency in which it operates. The currencies in which these transactions are primarily denominated are USD. The Company is exposed to currency risk in respect of transactions in foreign currency. There is no foreign currency revenue. There are no foreign currency receivables or payables as on 31 March 2024 and 31 March 2023.

**26 Capital management**

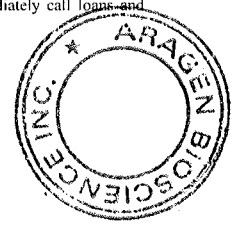
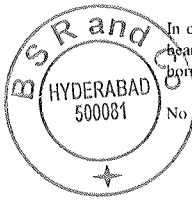
For the purpose of the Company's capital management, capital includes issued equity share capital, securities premium and all other equity reserves attributable to the share holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

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, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company's policy is to keep the gearing ratio in optimal level. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

Particulars	As at	
	31 March 2024	31 March 2023
Borrowings (note 13)	5,400.00	3,700.00
Lease liabilities (note 28)	3,159.66	2,937.82
Trade payables (note 15)	2,004.87	1,419.93
Other financial liabilities (note 16)	862.15	807.59
Less: Cash and cash equivalents (note 6)	(43.55)	(164.69)
<b>Net debt</b>	<b>11,383.13</b>	<b>8,700.65</b>
Total equity	(1,853.14)	1,675.06
<b>Total equity</b>	<b>(1,853.14)</b>	<b>1,675.06</b>
<b>Gearing ratio</b>	<b>(6.14)</b>	<b>5.19</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 31 March 2023.



**Aragen Bioscience, Inc.**  
**Notes to the financial statements for the year ended 31 March 2024 (continued)**  
(All amounts in USD thousands except share data or as otherwise stated)

**27 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)	112.14	1,448.77

**28 Leases**

The Company leases assets including premises and equipments. Information about leases for which the Company is a lessee is presented below.

**Following are the changes in the carrying values of right of use assets for the year ended 31 March 2024 and 31 March 2023**

Particulars	Premises	Equipment	Total
<b>As at 1 April 2022</b>	<b>4,441.20</b>	<b>880.13</b>	<b>5,321.33</b>
Additions during the year	575.45	-	575.45
<b>As at 31 March 2023</b>	<b>5,016.65</b>	<b>880.13</b>	<b>5,896.78</b>
Additions during the year	-	1,132.63	1,132.63
<b>As at 31 March 2024</b>	<b>5,016.65</b>	<b>2,012.76</b>	<b>7,029.41</b>
<b>Accumulated depreciation</b>			
<b>As at 1 April 2022</b>	<b>1,708.08</b>	<b>773.40</b>	<b>2,481.48</b>
Depreciation for the year	568.85	102.20	671.05
Reclassification to capital work in progress	109.65	-	109.65
<b>As at 31 March 2023</b>	<b>2,386.58</b>	<b>875.60</b>	<b>3,262.18</b>
Depreciation for the year	570.40	256.23	826.63
Reclassification to capital work in progress	114.03	-	114.03
<b>As at 31 March 2024</b>	<b>3,071.01</b>	<b>1,131.83</b>	<b>4,202.84</b>
<b>Balance as at 31 March 2024</b>	<b>1,945.64</b>	<b>880.93</b>	<b>2,826.57</b>
<b>Balance as at 31 March 2023</b>	<b>2,630.07</b>	<b>4.53</b>	<b>2,634.60</b>

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

**The following is the movement in Lease liabilities and Interest accrued on Lease liabilities during the year ended 31st March 2024 and 31 March 2023**

Particulars	31 March 2024	31 March 2023
<b>Balance at the beginning of the year</b>	<b>2,937.82</b>	<b>3,039.41</b>
Additions	1,132.63	575.45
Finance cost accrued during the year	128.07	81.26
Payment of lease liabilities	(1,038.86)	(758.30)
<b>Balance at the end of the year</b>	<b>3,159.66</b>	<b>2,937.82</b>

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

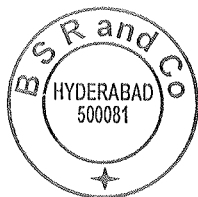
Particulars	31 March 2024	31 March 2023
Less than one year	1,187.53	785.42
One to five years	2,215.98	2,402.54
More than five years	-	-
<b>Total undiscounted lease liabilities</b>	<b>3,403.51</b>	<b>3,187.96</b>

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

Particulars	31 March 2024	31 March 2023
Current	1,044.95	689.59
Non-current	2,114.71	2,248.23
<b>Total</b>	<b>3,159.66</b>	<b>2,937.82</b>

**Amounts recognised in Statement of Profit and Loss**

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest on lease liabilities	128.07	81.26
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	-	-
<b>Total</b>	<b>128.07</b>	<b>81.26</b>





**Aragen Bioscience, Inc.**  
**Notes to the financial statements for the year ended 31 March 2024 (continued)**  
 (All amounts in USD thousands except share data or as otherwise stated)

**29 Related party disclosures**

**a) Name of related parties and nature of relationship**

Names of the related parties	Nature of relationship
<b>Related parties</b>	
Aragen Life Sciences Limited	Holding Company
Aragen Lifesciences B.V.	Fellow Subsidiary
Aragen Biologies Private Limited	Fellow Subsidiary
Intox Private Limited	Fellow Subsidiary
Aragen Foundation	Entity controlled by holding company
Aragen Employees Welfare Trust (formerly known as GVK Bio Employees Welfare Trust)	Entity controlled by holding company
Dr Robert Ruffolo	Director
Dr Bruce Schneider	Director
Dr Emilio Emini	Director
Dr J B Gupta	Director
Mr. Manmahesh Kantipudi	Director
Mr. Sowjanya Kumar Reddy	Key Management Personnel (KMP)
Mr. Subodh Kumar Deshmukh	Key Management Personnel (KMP)

**b) Transactions with related parties**

Particulars	For the year ended	
	31 March 2024	31 March 2023
<b>Aragen Life Sciences Limited</b>		
Corporate gurantee commission	57.50	38.33
Shared services expense	2,996.52	417.44
Business development services income	5,989.43	5,649.12
Sale of chemicals	272.94	183.57
Reimbursement of expenses	64.20	318.32
Sale of Equipment	208.77	-
<b>Aragen Biologies Private Limited</b>		
Purchase of materials	19.40	-
<b>Remuneration to Directors and KMP</b>		
Mr. Robert Richard Ruffolo	60.00	-
Mr. Bruce Schneider	35.00	35.00
Mr. Sowjanya Kumar Reddy	215.92	215.70
Mr. Subodh Kumar Deshmukh	845.96	68.37

**c) Balances receivable/(payable)**

Particulars	As at	
	31 March 2024	31 March 2023
<b>Aragen Life Sciences Limited</b>		
- Corporate guarantee	7,000.00	5,500.00
- Trade receivable	443.66	524.43
- Trade payable	(849.93)	(322.26)
<b>Aragen Biologies Private Limited</b>		
- Trade payable	(19.40)	-

**30 Segment information**

**Operating segments**

Based on Company's business model, providing contract research services has been considered as the only reportable business segment and hence no separate disclosures as provided in respect of its single business segment.

**Geographical information**

The geographical information analyses the Company's revenues and non-current assets by the Company's country of domicile (i.e. the United States of America) 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.

**31** The Company did not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

**32 Other information**

(a) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

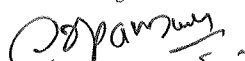
(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(c) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(d) The figures for the corresponding previous year have been regrouped / reclassified wherever necessary, to make them comparable.

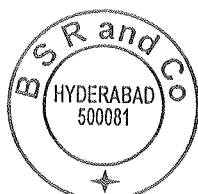
The notes referred to above form an integral part of these financial statements  
 As per our Report of even date attached

for **B S R and Co**  
 Chartered Accountants  
 ICAI Firm Registration No.: 128510W

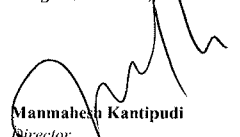


**Arpan Jain**  
 Partner  
 Membership No. 125710

Place: Hyderabad  
 Date: 23 May 2024



for and on behalf of the Board of Directors of  
**Aragen Bioscience, Inc.**

  
**Manmahesh Kantipudi**  
 Director

Place: Hyderabad  
 Date: 16 May 2024

