ARAGEN LIFE SCIENCES PRIVATE LIMITED

ANNUAL REPORT 2021-22

ARAGEN LIFE SCIENCES PRIVATE LIMITED

Regd. Office: Plot 28A, IDA, Nacharam, Hyderabad 500 076.

NOTICE OF AGM

Notice is hereby given that the Twenty-first (21st) Annual General Meeting of the members of Aragen Life Sciences Private Limited will be held on Wednesday, 24th August 2022 at 11.00 a.m. at the registered office of the Company at Plot No.28A, IDA, Nacharam, Hyderabad-500076 to transact the following business:

Ordinary business:

1. To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the Financial Year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon.

2. To declare a dividend.

Special Business:

3. To consider and, if thought fit to pass with or without modification(s), the following resolution as a **Special Resolution** to approve the amended Employee Stock Option Scheme 2007 of the Company:

   *"**RESOLVED THAT**, pursuant to Section 62(1)(b) of the Companies Act, 2013 (the "**Act**") and other applicable provisions, if any, of the Act, and the applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SBEB & SE Regulations**") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and other rules, regulations, circulars and guidelines as may be applicable and subject to such approvals, consents, permissions and approvals as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company ("**the Board**"), which term shall include its duly empowered Committee(s) constituted/ to be constituted by it to exercise its powers including the powers conferred by this resolution), the approval of the Members be and is hereby accorded to the amended Aragen Life Sciences Employees Stock Option Scheme 2007 ("**ESOP Scheme 2007**").*

   ***RESOLVED FURTHER THAT**, the Board be and is hereby authorized on behalf of the Company to make and carry out any modifications, changes, variations, alterations, or revisions in the ESOP Scheme 2007 or to suspend, withdraw or revive the ESOP Scheme 2007, in accordance with applicable laws prevailing from time to time, as it may deem fit, to give effect to this resolution.*

__RESOLVED FURTHER THAT__ for the purpose of bringing into effect this resolution and generally for giving effect to this resolution, each member of the Board and Mr. Sachin Anand Dharap, Chief Financial officer, and Mr. Ramakrishna Kasturi, Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters, and things and to take all steps and do all things and give such directions as may be required, necessary, expedient, incidental or desirable for giving effect to the above and to settle any question or difficulty that may arise in this regard in the best interest of the Company."

4. To consider and, if thought fit to pass with or without modification(s), the following resolution as a **Special Resolution** to approve the amended Employee Stock Option Scheme 2017 of the Company:

"__RESOLVED THAT__, pursuant to Section 62(1)(b) of the Companies Act, 2013 (the "__Act__") and other applicable provisions, if any, of the Act, and the applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("__SBEB & SE Regulations__") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and other rules, regulations, circulars and guidelines as may be applicable and subject to such approvals, consents, permissions and approvals as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company ("__the Board__"), which term shall include its duly empowered Committee(s) constituted/ to be constituted by it to exercise its powers including the powers conferred by this resolution), the approval of the Members be and is hereby accorded to the amended Aragen Life Sciences Employee Stock Option Plan 2017 ("__ESOP Plan 2017__").

__RESOLVED FURTHER THAT__, the Board be and is hereby authorized on behalf of the Company to make and carry out any modifications, changes, variations, alterations, or revisions in the ESOP Plan 2017 or to suspend, withdraw or revive the ESOP Plan 2017, in accordance with applicable laws prevailing from time to time, as it may deem fit, to give effect to this resolution.

__RESOLVED FURTHER THAT__ for the purpose of bringing into effect this resolution and generally for giving effect to this resolution, each member of the Board and Mr. Sachin Anand Dharap, Chief Financial officer, and Mr. Ramakrishna Kasturi, Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters, and things and to take all steps and do all things and give such directions as may be required, necessary, expedient, incidental or desirable for giving effect to the above and to settle any question or difficulty that may arise in this regard in the best interest of the Company."

By Order of the Board

Aragen Life Sciences Private Limited
Hyderabad

K. Ramakrishna
Company Secretary

Place: Hyderabad
Date: 19th August 2022

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NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing the proxy, duly filled, stamped, and signed, must be deposited at the Company's Registered Office not less than 48 hours before the commencement of the meeting.
3. Dividend: A final dividend of Rs. 8.64/- per equity share of the Company, as recommended by the Directors, if declared at the Annual General Meeting, will be paid to the members whose names are borne on the Company's Register of Members or to their mandatees on the date of AGM.
4. The documents referred to in the Notice and the Statutory Registers of the Company will be available for inspection from 11.00 A.M. to 1.00 P.M. on any working day prior to the date of the meeting.
5. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.

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EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

Item No. 3 and Item No. 4 - Amendments to the Employees Stock Option Schemes 2007 and 2017

The existing Employee Stock Option Schemes i.e., Employee Stock Option Scheme 2007 ("ESOP 2007") & Employee Stock Option Scheme/Plan 2017 ("ESOP 2017"), are proposed to be amended to be in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as and when may be applicable to the Company. Revised ESOP 2007 and ESOP 2017 are enclosed. The proposed amendments to the Schemes are as below:

Proposed Key amendments to ESOP 2007:

Clause No.	Position under the ESOP Scheme 2007	Position under SBEB & SE Regulations/ Proposed Amendments
2.1(x)	**Definition of employee** The ESOP Scheme 2007 defines Employee as the following: (a) permanent employee of the Company who has been working in India or out of India; or (b) a director of the Company, whether a whole-time director or not; or (c) an employee as defined in sub-clauses (a) or (b) of a Subsidiary in India or out of India, or of a Holding Company of the Company, But excludes: (i) an employee who is a Promoter or a person belonging to the Promoter Group; or	The definition of an employee, except in relation to sweat equity, has been revised under SEBI SBEB & SE Regulations to include an employee as designated by the company, who is **exclusively** working in India or outside India. Further, the ambit of an employee has been expanded to **include employees of group companies, including associate companies**. Consequently, stock options can be granted to employees of group companies, including associate companies as well.

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Clause No.	Position under the ESOP Scheme 2007	Position under SBEB & SE Regulations/ Proposed Amendments
	(ii) a director who either himself or through his Relative or through any body-corporate, directly, or indirectly, holds more than ten percent of the issued and subscribed Shares of the Company; or (iii) a Director being an Independent Director.	
2.1(xiv)	**Exercise Price** The exercise price under the ESOP Scheme 2007 means "*means the price payable by an Employee in order to exercise the Options granted to him in pursuance of the ESOP 2007.*"	While a company is free to determine the exercise price, the exercise price is required to be in compliance with the accounting standards provided under Regulation 15 of the SEBI SBEB & SE Regulations. The ESOP Scheme 2007 is being revised to provide that the exercise price under the ESOP Scheme 2007 would be in compliance with the accounting standards specified under the SEBI SBEB & SE Regulations, including any 'Guidance Note on Accounting for employee share-based Payments' issued in that regard from time to time.
4.1	**Implementation of ESOP Scheme 2007** The ESOP Scheme 2007 provided that the ESOP Scheme 2007 will be implemented by the Board of directors (which includes the compensation committee).	Regulation 3 of the SEBI SBEB & SE Regulations provide that a company may implement a scheme(s) either directly or by setting up an irrevocable trust(s): Provided that if the scheme is to be implemented through a trust, the same has to be decided upfront. The ESOP Scheme 2007 is being implemented via a trust. Regulation 5 of the SEBI SBEB & SE Regulations provide that in case the scheme is being administered by the trust, the compensation committee is required to delegate the administration of the scheme to the trust. Consequently, ESOP Scheme 2007 is being revised to provide

Clause No.	Position under the ESOP Scheme 2007	Position under SBEB & SE Regulations/ Proposed Amendments
		that the Board will delegate the implementation of ESOP Scheme 2007 to the trust.
4.2	**Power of the Board/ Compensation Committee** The Board has been provided the authority to undertake various actions in relation to the grant and exercise of options. Presently, the scope of authority provided is not in line with the SEBI SBEB & SE Regulations.	Under Schedule 1, Part B of the SEBI SBEB & SE Regulations, the compensation committee is also required to lay down, *inter alia*: (a) the procedure for funding the exercise of options / SARs; and (b) the procedure for buy-back of specified securities issued under SEBI SBEB & SE Regulations, if to be undertaken at any time by the company, and the applicable terms and conditions, including (i) permissible sources of financing for buy-back; (ii) any minimum financial thresholds to be maintained by the company as per its last financial statements; and (iii) limits upon the quantum of specified securities that the company may buy-back in a financial year. Clause 4.2 of the ESOP Scheme 2007 is being revised to provide to align with Schedule 1, Part B of the SEBI SBEB & SE Regulations. .
6	**Cliff period of 1 (one) year in case of death or permanent disability** The ESOP Scheme 2007 presently provides that the options would vest over the course of 4 years from the date of grant of options.	There should be a cliff period of 1 (one) year between the date of grant and vesting, which is not applicable in case of death or permanent disability. The ESOP Scheme 2007 is being revised to provide the aforesaid clarification.
7(b)	**Treatment of options in case of retirement**	In the event of retirement, the options granted to an employee, which have not vested, will not expire and continue to

Clause No.	Position under the ESOP Scheme 2007	Position under SBEB & SE Regulations/ Proposed Amendments
	The ESOP Scheme 2007 provides that in case of retirement, all the unvested options will stand cancelled.	vest in accordance with their respective vesting schedules as per the company's policies. The ESOP Scheme 2007 is being revised to account for the above requirement under the SEBI SBEB & SE Regulations.
10	**Modification of the plan** Presently, the construct is that the Board can vary the terms of ESOP Scheme 2007 subject to applicable laws	Companies can vary the terms of the scheme to meet any regulatory requirement without seeking shareholders' approval under the SEBI SBEB & SE Regulations. The ESOP Scheme 2007 is being revised to account for the above requirement under the SEBI SBEB & SE Regulations.
-	**Disclosures required** Presently, the ESOP Scheme 2007 does not provide for the disclosure requirement.	Companies are required to make disclosures in terms of Part G of Schedule I of the SEBI SBEB & SE Regulations. The ESOP Scheme 2007 is being revised to provide that the necessary disclosures will be made in terms of the SEBI SBEB & SE Regulations at the time of grant, including as provided in Part G of Schedule I of the SEBI SBEB & SE Regulations.

<u>**Proposed Key amendments to ESOP 2017:**</u>

Clause No.	Position under the ESOP Plan 2017	Position under SBEB & SE Regulations/ Proposed Amendments
2.1(x)	**Definition of employee** The ESOP Plan 2017 defines 'Employee' as the following: (d) permanent employee of the Company who has been working in India or out of India; or	The definition of an employee, except in relation to sweat equity, has been revised under SEBI SBEB & SE Regulations to include an employee as designated by the company, who is <u>**exclusively**</u> working in India or outside India. Further, the ambit of an employee has been expanded to <u>**include employees of group companies, including associate companies**</u>. Consequently, stock options can be

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Clause No.	Position under the ESOP Plan 2017	Position under SBEB & SE Regulations/ Proposed Amendments
	(e) a director of the Company, whether a whole-time director or not; or (f) an employee as defined in sub-clauses (a) or (b) of a Subsidiary Company, or of a Holding Company of the Company, But excludes: (iv) an employee who is a Promoter or a person belonging to the Promoter Group; or (v) a director who either himself or through his Relative or through any body-corporate, directly, or indirectly, holds more than ten percent of the issued and subscribed Shares of the Company; or (vi) a Director being an Independent Director.	granted to employees of group companies, including associate companies as well. The ESOP Plan 2017 is being revised to allow the grant of options to the employees of the associate and group company as well after listing at a recognized stock exchange.
2.1(xv)	**Exercise Price** The exercise price under the ESOP Plan 2017 means "*means the price payable by an Option Grantee in order to exercise the Options granted to him in pursuance of the ESOP 2017.*"	While a company is free to determine the exercise price, the exercise price is required to be in compliance with the accounting standards provided under Regulation 15 of the SEBI SBEB & SE Regulations. The ESOP Plan 2017 is being revised to provide that the exercise price under the ESOP Plan 2017 would be in compliance with the accounting standards specified under the SEBI SBEB & SE Regulations, including any 'Guidance Note on Accounting for employee share-based Payments' issued in that regard from time to time.

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Clause No.	Position under the ESOP Plan 2017	Position under SBEB & SE Regulations/ Proposed Amendments
4.1	**Implementation of ESOP Plan 2017** The ESOP Plan 2017 provided that the ESOP Plan 2017 will be implemented by the Board of directors (which includes the compensation committee).	Regulation 3 of the SEBI SBEB & SE Regulations provide that a company may implement a scheme(s) either directly or by setting up an irrevocable trust(s): Provided that if the scheme is to be implemented through a trust, the same has to be decided upfront. The ESOP Plan 2017 is being implemented via a trust. Regulation 5 of the SEBI SBEB & SE Regulations provide that in case the scheme is being administered by the trust, the compensation committee is required to delegate the administration of the scheme to the trust. Consequently, ESOP Plan 2017 is being revised to provide that the Board will delegate the implementation of ESOP Plan 2017 to the trust.
4.2	**Power of the Board/ Compensation Committee** The Board/ the compensation committee has been provided the authority to undertake various actions in relation to the grant and exercise of options. Presently, the scope of authority provided is not in line with the SEBI SBEB & SE Regulations.	Under Schedule 1, Part B of the SEBI SBEB & SE Regulations, the compensation committee is also required to lay down, *inter alia*: (c) the procedure for funding the exercise of options / SARs; and (d) the procedure for buy-back of specified securities issued under SEBI SBEB & SE Regulations, if to be undertaken at any time by the company, and the applicable terms and conditions, including (i) permissible sources of financing for buy-back; (ii) any minimum financial thresholds to be maintained by the company as per its last financial statements; and (iii) limits upon the quantum of specified securities that the company may buy-back in a financial year. Clause 4.2 of the ESOP Plan 2017 is being revised to provide to align with Schedule

Clause No.	Position under the ESOP Plan 2017	Position under SBEB & SE Regulations/ Proposed Amendments
		1, Part B of the SEBI SBEB & SE Regulations.
6.1	**Cliff period of 1 (one) year in case of death or permanent disability** The ESOP Plan 2017 presently provides that the options shall vest not earlier than 1(one) year and not more than 4 (four) years from the date of grant of such Options.	The cliff period of 1 (one) year between the date of grant and vesting, is not applicable in case of death or permanent disability. The ESOP Plan 2017 is being revised to provide the aforesaid clarification.
7.2(a)	**Exercise of options** Presently ESOP Plan 2017 provides that *"the Vested Options can be exercised by the Employees only on happening of Listing."*	ESOP Plan 2017 is being revised to provide Board the discretion to allow the exercise of options prior to the listing of the shares of the Company on a recognized stock exchange.
14.1	**Modification of the plan** Presently, the construct is that the Board can vary the terms of ESOP Plan 2017 subject to the condition that such amendment, alteration, or variation, as the case may be is not detrimental to the interest of Employees.	Companies can vary the terms of the scheme to meet any regulatory requirement without seeking shareholders' approval under the SEBI SBEB & SE Regulations. The ESOP Plan 2017 is being revised to account for the above requirement under the SEBI SBEB & SE Regulations.
18	**Disclosures required** Presently, the ESOP Plan 2017 does not provide for the disclosure requirement in terms of SEBI SBEB & SE Regulations.	Companies are required to make disclosures in terms of Part G of Schedule I of the SEBI SBEB & SE Regulations. The ESOP Plan 2017 is being revised to provide that the necessary disclosures will be made in terms of the SEBI SBEB & SE Regulations at the time of grant, including as provided in Part G of Schedule I of the SEBI SBEB & SE Regulations.

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The proposed amendments are not detrimental to the interests of the current option grantees under ESOP 2007 & ESOP 2017 of the Company.

Approval of the shareholders is sought for the amendments to the ESOP Schemes of the Company as recommended, by way of passing the resolutions contained in the Notice as Special Resolutions.

None of the directors of the Company and their immediate relatives except Mr. Manmahesh Kantipudi, the Director and CEO to the extent of the stock options held by him, is interested in the resolution.

By Order of the Board

Aragen Life Sciences Private Limited
Hyderabad

K. Ramakrishna
Company Secretary

Place: Hyderabad
Date: 19th August 2022

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BOARD'S REPORT

DEAR MEMBERS,

The Board of Directors are pleased to present the 21st Annual Report of your Company, Aragen Life Sciences Private Limited, along with the Standalone and Consolidated Audited Financial Statements for the Financial Year ended 31st March 2022.

The Covid-19 pandemic continued into the second year in FY 2021-22 impacting multiple industries and sectors across the globe. We are proud of your Company's ability to innovate and deliver on project commitments and its continued efforts to play its part in helping the world live a healthier life despite the challenges. We are happy to report another year of significant growth, expanded offerings, and new customers.

FINANCIAL RESULTS

Your Company's performance during FY 2021-22 compared to the previous year is summarized below.

(INR Mn)

Details	Standalone		Consolidated	
	2021-22	**2020-21**	**2021-22**	**2020-21**
Gross Income	12533.46	9847.52	14021.20	11516.44
Gross Operating Profit	4069.25	2998.86	4197.71	3355.27
Less: Depreciation	1068.13	835.72	1288.98	1004.89
Less: Interest	227.57	170.98	235.07	181.36
Profit Before Tax	2773.55	1992.16	2673.66	2169.02
Less: Provision for Tax	617.95	511.68	661.21	521.98
Less: Deferred Tax	45.82	4.27	37.82	4.27
Profit After Tax	2109.78	1476.21	1974.63	1642.77

Key highlights of the performance on a consolidated basis:

- Gross Income of Rs 14021.20 million with growth of 22%.
- Gross Operating Profit growth at 25% to Rs 4197.71 million.
- Profit After Tax of Rs 1974.63 million, an increase of ~20% over the previous year.

DIVIDEND AND DIVIDEND DISTRIBUTION POLICY

The Board of Directors of your Company have, consistent with the previous track record, recommended a final dividend of Rs 8.64 (Rupees Eight and Sixty-Four Paise only) per equity share of 10/- each for the Financial Year ended March 31, 2022, being a pay-out of 30% of the consolidated Profit After Tax of your Company, subject to the approval of the equity shareholders at the ensuing 21st Annual General Meeting of your Company. The Dividend involves a cash outflow of ~Rs 59 Crores.

A Dividend Distribution Policy adopted by the Board is displayed on the website of the Company www.aragen.com.

ISSUE OF DEBENTURES AND LISTING

In February 2022, your Company issued 2000 listed, rated, secured, redeemable, nonconvertible debentures of the face value of Indian Rupees Ten lakhs each, aggregating up to Rs 200 Crores (Indian Rupees Two Hundred crores) (NCDs/Securities) in dematerialized form through private placement. The NCDs have a tenor of 3 years with an interest rate of 7.5% p.a., payable annually. The NCDs are rated 'AA minus /Stable' by CRISIL. IDBI Trusteeship Services Limited, Mumbai are the trustees for the issue. The Securities are listed on the stock exchange-BSE Limited.

COMPOSITE SCHEME OF ARRANGEMENT

The Company, GVK Davix Technologies Private Limited, the parent company ("GVK Davix"), Excelra Knowledge Solutions Private Limited, and GVK Davix Research Private Limited (Fellow Subsidiaries) and their respective shareholders have entered into a Composite Scheme of Arrangement under Section 230 to 232 of the Companies Act, 2013 ("Scheme") which contemplates, among others, the amalgamation of the residual GVK Davix (post demerger of its informatics business and only with investment in the Company) into the Company, with 2nd April 2021 as the Appointed Date, and the said Scheme was approved by the National Company Law Tribunal, Hyderabad Bench ("NCLT") on 30th May 2022 and the Company has received the final order copy on 07th June 2022. The certified copy of the said order has been filed with the Registrar of Companies, Hyderabad by the companies involved. The Company filed the certified copy of the Order on 01st July 2022 with respect to Part IV of the Scheme concerning the amalgamation of GVK Davix with the Company, and the amalgamation has become operative from that date.

The Board of Directors of the Company at its meeting held on 26th May 2022, had considered, approved, and recommended the Audited Standalone and Consolidated financial statements of the Company for the year ended March 31, 2022 (Financial Statements for FY22) for adoption by the shareholders. The Company submitted the Financial Statements for FY22 to the stock exchange - BSE Limited and published in a newspaper as required under the SEBI Regulations. However, on receipt of the certified copy of the Order of the Hon'ble NCLT approving the Composite Scheme of Arrangement on 7th June 2022, in terms of the relevant Standard of Auditing, the Company revised the Financial Statements for FY22 to reflect the amalgamation of GVK Davix with the Company with the Appointed Date 2nd April 2021.

SHARE CAPITAL

Pursuant to the Composite Scheme of Arrangement, the authorised share capital of the Company stood increased from Rs.115 Crores to Rs.142 Crores.

Pursuant to the Scheme, the Company allotted 339,00,000 equity shares of the Company to the shareholders of GVK Davix and the existing shareholding of 339,00,000 equity shares of GVK Davix in the Company was cancelled.

Goldman Sachs Group acquired a significant minority stake in your Company during the year by purchasing shares from the existing private equity investor shareholder Destiny Investments Limited, and certain other shareholders of the Company.

The share capital of your Company increased marginally on allotment of equity shares to the employees on exercise of their vested stock options.

ACQUISITION

To complement your Company's organic growth and internal capabilities, as a key strategic step in the direction of becoming an integrated player and achieving end-to-end capabilities for Discovery, GLP safety assessment studies, and Development & Manufacturing, your Company acquired a majority stake in Intox Private Limited (Intox), a Pune-based company engaged in providing Safety Assessment (Toxicology) services. This enables your Company to offer a wide range of GLP safety assessment studies including mammalian toxicology, bio-analysis, mutagenicity, reproductive and environmental studies. As per the share purchase agreement with the Promoters of Intox, your Company acquired 56.82% shares in December 2021 and will be acquiring further stake to increase its holdings to 76% of its equity. The Promoters of Intox and your Company have entered into Option Agreements in December 2021 whereby it can call, and the Promoters can put purchase/sale of the balance 24% of equity held by the Promoters, after the adoption of Financial Statements by the shareholders of Intox for the Financial Year 2023-2024.

OPERATIONAL PERFORMANCE

At a consolidated level, the Gross Income of your Company for FY 2021-22 was Rs 14,021 million, Gross Operating profit at Rs 4,198 million and the Profit After Tax was Rs 1,975 Million.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of the financial statements of your Company's subsidiaries in Form AOC-1 is attached to the Financial Statements of your Company.

Your Company provides Discovery Services and Development & Manufacturing Services. Both these services are provided through state-of-the-art R&D labs and manufacturing facilities manned by our talented pool of scientists and enabling functional teams. Both these service areas performed well during the year and yielded a high double-digit growth over the previous year.

With structural changes in large pharma companies in terms of complexities in new drug research with increasing costs and pressure on margin, coupled with the need of small biotech companies to find the right outsourcing partners, we have seen an increase in demand for outsourcing of drug research. We are also witnessing slow structural changes in outsourcing with some preference towards India due to ongoing geopolitical changes and China+1 risk mitigation strategy by western customers. Your Company has been able to take advantage of this market development and add volume and new clients to its portfolio.

To take advantage of growth opportunities in the market, your Company has committed a capex investment of more than Rs 650 Crores to be spent over FY 2021-22 and FY 2022-23. The same will be invested in creating new infrastructure, R&D labs and expansion of Development & Manufacturing capacity. During the year, your Company saw the expansion of Medical Chemistry and Biology (R&D) Labs by more than one lakh square feet and also commissioned a new technologically advanced Vivarium facility in the Bengaluru campus. We have started construction work for the new Reagents Generation facility which adds to your Company's capability in this important service area. We continued to invest in various upgradation and automation areas in the manufacturing facilities. The manufacturing business scaled up well during the year increasing the plant occupancy levels to 55%.

During the year, your Company serviced over 400 clients, ranging from large multinational corporations to novel drug discovery companies/ biotech companies. Your Company continues to have relationships with certain key clients for more than 5 years and witnessed repeat business from more than 65% of its existing clients. In terms of revenue contribution, the business is well diversified and there is no dependency on specific clients. The integrated service offerings coupled with consistent performance and delivery have helped your Company continuously renew the client engagements. Your Company's services which range across multiple stages of molecule life cycle , coupled with a strong operational track record in the successful delivery of services with responsiveness, quality, and technical standards, turnaround times, and productivity, have strengthened the client base and increased customer stickiness. The customer satisfaction rating has improved year on year.

Your Company took several initiatives for operational excellence during the year to enhance its operational efficiency and increase productivity through better processes, harnessing technology, and automation tools. During the year, your Company launched 'ACE-- Aragen's Continuous Excellence', an organization-wide Operational Excellence program. This program focuses on increasing the internal capability of employees through learning and training on various operational excellence tools and making this one of the cultural pillars of performance improvement. Multiple projects have been commissioned under this program and the results will be seen in the coming months.

The supply chain challenges and disruptions following the Covid-19 pandemic were accentuated due to the Russia-Ukraine war. The supply chain team has managed this challenge well through proactive work for material availability, alternate source development, etc. to help maintain continuity of operations.

STANDALONE AND SUBSIDIARY PERFORMANCE

On a standalone basis, the Gross Income of your Company during FY 2021-22 was Rs 12533 million and the Profit After Tax was Rs 2,110 million.

Intox Private Limited, the Company's subsidiary, achieved a Gross Income of Rs 672 million and a Profit After Tax of Rs 191 million for the period since it became a subsidiary company.

Aragen Bioscience Inc. USA, the Biologics arm of your Company achieved a Gross Income of Rs 1360.54 million and made a Loss of Rs 159.43 million. The management team of your Company has taken adequate steps to turn around the performance of this unit during FY 2022-23.

Aragen Life Sciences BV, Netherlands, a wholly-owned subsidiary, is engaged in providing marketing services to your Company.

'Aragen Foundation' a company with charitable objects was incorporated as a wholly-owned subsidiary of the Company during the year.

Safety, Health & Environment

All the facilities of your Company are audited and certified to the standards; ISO 14001:2015, ISO 45001:2018 & ISO 50001:2018.

Your Company has implemented the Audit, Incident management, and Sustainability modules of the "iSHIELD One" software. Various initiatives including engineering improvements were undertaken internally for enhanced safety. A baseline EHS audit was undertaken through an external expert to understand and mitigate top EHS risks for individual sites and at the organizational level.

Your Company has taken various initiatives in respect of ESG & Sustainability. Aragen has been admitted as an Associate Member of PSCI; applied for membership status of the GRI Southern Asian chapter on sustainability imperatives; adopted science-based targets; and released the Sustainability Report for FY 2020-21.

During the year, Aragen, as well as its various sites, have received the following accolades for their best-in-class EHS performance, sustainability & management of Covid-19:

- Bronze medal in Ecovadis global sustainability assessment 2021;
- Most innovative Covid-19 response award from the World CSR Congress under the Global CSR Excellence & Leadership award category;
- In respect of the Vizag facility:
- International safety award under merit category from the British Safety Council (BSC) for the third consecutive year;
- Silver award from CII SR EHS Excellence Awards 2021 for commitment to EHS practices and best EHS innovation award;
- CII AP Industrial Safety Excellence Gold Award under Industrial Best Safety Practices category and digital initiatives under special category.
- Silver award from CII SR EHS Excellence Awards 2021 for commitment to EHS practices and sectoral topper in R&D for the Mallapur labs at Hyderabad;
- Bronze award from CII SR EHS Excellence Awards 2021 for commitment to EHS practices for the Bengaluru labs.

During the year, none of the manufacturing sites or labs have witnessed any reportable accidents or lost time.

Your Company continues to implement various safety and hygiene protocols to keep the health and well-being of the employees. All the on-roll and contract employees across the organization have been fully vaccinated.

Human Resources

The total number of employees of your Company together with its subsidiaries stood at 3,638 at the end of FY 2021-22 with 3,277 scientific employees. Your Company added 547 new employees during the year to meet the growing business requirements.

The organization has been certified as a 'Great place to Work' by the GPTW organization for the third consecutive year and has featured in the Top 10 Best workplaces in Biotechnology and

Pharmaceuticals in 2021. It has also won the AmbitionBox Best Places to Work in India 2021 Award in the Medium Pharma Companies category and was ranked 2nd Best Place to Work in India 2021 under the Mid-Sized Pharma Companies category. Your Company has been chosen as one of Asia's Best Employer Brands-2021 by the World HRD Congress.

Your Company ensures continuous training and skill development of its employees through a Learning Management System. A total of 73,544 hours of training were delivered during the year. In addition to the flagship programs 'EvolWe' and 'eMpowER', training programs such as 'Finance for Non-Finance'; 'Emotional Intelligence' workshops for Group Managers; and 'Personal Effectiveness' programs for operational level employees were conducted. 'PRISM', the employee engagement platform conducted various cultural programs towards wellness, and team building.

Policies on Non-Discrimination, Prevention of Sexual Harassment at the workplace, and Anti-Corruption & Anti-Bribery are in place to ensure ethical business and fair play. Your Company has complied with provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There were no sexual harassment complaints made during the year.

Employee Stock Options (Options)

Under the ESOP Scheme 2017, your Company has granted 16,51,785 options to eligible employees. During the year, 65,514 options were granted to the CEO, and 72,206 options were granted to various other employees. As of 31.03.2022, the total Options vested and unvested were 8,02,444. Options vested were 4,58,826 (3,01,008 Options vested during the year) and 3,43,618 Options remain unvested. 3,79,223 options were exercised during the year.

Under the ESOP Scheme 2007, as of 31.03.2022, the total options vested and outstanding were 3,75,000 with no options unvested. 7,76,388 options were exercised during the year.

With this, the total outstanding options as of 31.03.2022 (vested and unvested) were 11,77,444.

The attention of the members is invited to Note No. 12(e) of the Standalone Financial Statements for the year for further details with respect to the stock options.

The Company received an amount of Rs.162.76 Mn during the year as the exercise price from the option holders and allotted 11,55,611 equity shares of the Company against the exercise.

AUDITORS

M/s. B S R & Associates LLP., Chartered Accountants, Auditors of your Company hold office until the conclusion of the Annual General Meeting for the Financial Year 2022-23.

The Auditors' report on the Standalone and the Consolidated Financial Statements of the Company for the year ended 31st March 2022 do not contain any qualifications, reservations, or adverse remarks. The Auditors have not reported any frauds being committed by officers or employees of your Company, reportable or not reportable under Section 143(12) of the Companies Act, 2013 (Act).

INTERNAL AUDITORS

Protiviti India Member Private Limited is appointed as the internal auditors of your Company. Protiviti is engaged for three years till FY 2023-24 subject to review every year. The internal audit plan was decided upfront for the entire period of three years, with each area of the audit to be taken up at a pre-determined frequency. In a year, about 10 to 12 areas are taken up for the internal audit. The internal auditors report their observations to the Audit Committee of Directors of your Company every quarter.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s. ABR Associates, a Practicing Company Secretary firm in Hyderabad, to carry out the Secretarial Audit of your Company.

The report of the Secretarial Auditor for FY 2022-23 is enclosed and forms part of this report. There are no qualifications, observations, or adverse remarks in the said report.

DIRECTORS

During the year under review, Mr. Sanjiv Dwarkanath Kaul, nominee director from Destiny Investments Limited, a ChrysCapital company, resigned from the directorship of your Company with effect from 18th May 2021 on the sale of the entire shareholding of Destiny Investments to Goldman Sachs Group.

Mr. Adam Richard Dawson and Mr. Rajat Sood, both nominated by the Goldman Sachs Group, and Mr. Ajay Srivastava, were appointed to the Board as Additional Directors and later appointed as Directors by the shareholders of your Company at general meetings.

DISCLOSURES

Number of meetings of the Board

The Board of Directors met five (5) times during the year.

Risk Management

Your Company has developed and implemented a formal risk management policy. Risks associated with the business of your Company including those that may threaten the existence of the Company were identified and necessary steps are constantly being taken to mitigate the risks. The Audit Committee of your Company reviews the changes in the levels of risks every quarter and provides direction to the Management for effective mitigation. The internal auditors conduct their audits based on a risk-based approach. The Risk Management Policy of your Company is displayed on website: www.aragen.com.

Vigil mechanism

Your Company has in place a vigil mechanism as prescribed in the relevant rules and the Audit Committee of Directors oversees the functioning of the vigil mechanism. The mechanism allows the employees, directors, and other stakeholders to report unlawful and unethical business practices, morally offensive behaviors, unethical issues with respect to animal care practices, incorrect financial reporting, frauds, and other matters detrimental to the image of your Company, etc. to the ombudsperson appointed under the Whistle-Blower Policy. The Policy provides necessary safeguards to protect against the victimization of the whistle blower. Your Company has not received any complaints during the year under the whistle-blower mechanism.

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

Particulars of conservation of energy, technology absorption, foreign exchange outgo, and earnings, required to be disclosed under the Companies (Accounts) Rules, 2014 are annexed hereto and form part of this Report. Your Company utilized solar energy and saved power costs and at the same time reduced GHG emissions. Your Company continuously undertakes various initiatives and makes investments to conserve energy.

Particulars of employees

A statement of top ten employees drawing remuneration in excess of the limits prescribed under the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is annexed and forms part of this Report.

Corporate Social Responsibility

Your Company has constituted a Corporate Social Responsibility Committee as per Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules 2014. The CSR activities are primarily in the areas of education, healthcare, and environmental sustainability. An annual report on the CSR activities is enclosed in the prescribed form as Annexure to this Report.

Internal Financial Controls

Your Company has adequate internal financial control systems in place and those systems are operating effectively based on the criteria established by your Company. These controls are tested periodically both by the internal auditors and the statutory auditors who confirm their adequacy and effective working. Your Company continuously improves the controls based on the recommendations from the internal auditors and the statutory auditors.

Insider Trading Code

As the Company's debt securities are listed, your Company has adopted a Code of Conduct for Prevention of Insider Trading ("the PIT Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations"). The Code is applicable to the promoters, members of the promoter group, all Directors, and such designated employees who are expected to have access to unpublished price-sensitive information relating to your Company. The Company Secretary is the Compliance Officer for monitoring adherence to the PIT Regulations. The Company has also formulated a Policy for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' ("Fair Disclosure Policy") in compliance with the PIT Regulations. The Fair Disclosure Policy and the PIT Code are displayed on your Company's website: www. aragen.com.

Policy on the preservation of documents

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, your Company has adopted a Policy on the preservation of documents and the said Policy specifies the documents that are required to be maintained and preserved in your Company considering their importance to the organization and to the stakeholders including the Government and Regulatory bodies and sets the standards for their maintenance and preservation. The Policy is displayed on your Company's website: www.aragen.com.

Other disclosures

- A copy of the Annual Return of your Company is placed on the website of at https://www.aragen.com/our-responsibility/corporate-governance/annualreturn.
- Your Company has not given any loans, guarantees, or provided securities or acquired securities of any other body corporate exceeding the limits specified in Section 186(2) of the Act. The attention of the members is invited to Note Nos. 5 & 6 of your Company's financial statements, for the particulars of loans given, guarantees provided and investments made during the year.
- All the contracts, arrangements, and transactions entered into by your Company with the related parties during the year were on an arms' length basis and in the ordinary course of business. Your Company has not entered into any transactions with related parties requiring approval of the Board/shareholders pursuant to Section 188(1) of the Companies Act, 2013. A list of all the related party transactions forms part of the Financial Statements.
- Your Company is maintaining the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013. The cost audit is not applicable to your Company as your Company's export revenue exceeds 75% of its total revenue.
- During the year, your Company did not accept any deposits covered under Chapter V of the Companies Act, 2013. Pursuant to the Composite Scheme of Arrangement, the unsecured loans of GVK Davix availed from its shareholders amounting to Rs.49.82 Mn have been transferred to the Company and the Company is in the process of repaying of the said loans.
- During the year, there have been no significant and material orders passed by the regulators or courts, or tribunals impacting the going concern status and your Company's operations in the future.
- No material changes and commitments have occurred after the closure of the financial year till the date of this report, which may affect the financial position of your Company. The attention of the Members is invited in this regard to Note No. 43 to the Standalone Financial Statements and Note No. 48 to the Consolidated Financial Statements, which are self-explanatory.
- No application was made during the year, or no proceedings are pending under the Insolvency and Bankruptcy Code, 2016.
- No one-time settlement was made with any of the Banks or Financial Institutions.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 (5) of the Companies Act, 2013 (Act), the Directors state that:

(a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) Appropriate accounting policies have been selected and applied consistently with judgments and estimates made that are reasonable and prudent to give a true and fair view of the state of affairs of the company at the end of the financial year 2021-22 and of the profit and loss of the company for FY21-22;

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

(d) The annual accounts have been prepared on a going concern basis; and

(e) Proper systems are devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGMENTS

Your directors express sincere gratitude and thank all the customers, Company's bankers, vendors, various government and other agencies for their support and co-operation. Your Directors also place on record their appreciation of the valued services and dedicated efforts of the employees of the Company.

On behalf of the Board of Directors of
Aragen Life Sciences Private Limited

Davinder Singh Brar
Chairman
DIN: 00068502

Date: 3rd August 2022

ANNEXURE TO THE DIRECTORS' REPORT

Particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo

CONSERVATION OF ENERGY

1. Steps taken and impact on the conservation of energy: Your Company could reduce Scope 2 Greenhouse Gas (GHG) emissions of 7207 MTCO2e (metric ton of Carbon Dioxide equivalent) by the use of solar power for its Nacharam and Mallapur facilities.
2. Steps taken by the company for utilizing alternate sources of energy: Your Company purchased solar power and about 88 lakh units of energy consumption of your Company was generated from solar energy. Your Company installed solar streetlights and replaced CFL bulbs with LED bulbs at all its sites.
3. Capital investment in energy conservation equipment: Your Company installed premium efficiency IE-3 motors in place of existing IE-2 motors for its Nacharam and Mallapur facilities. IE-3 motors are considered by default for all the new projects of the Company. Variable Frequency Drives (VFDs) were installed for motors above 7.5 HP at the Nacharam facility that conserved energy. Chilled water lines have been changed in Nacharam resulting in the effective circulation of chilled water that helped the system cut off as per actual settings and saved on power. Various other items were procured such as eco-plug for ACs; usage of dry vacuum pumps in place of water ring vacuum pumps etc.

CONSUMPTION PER UNIT OF PRODUCTION

Your Company provides contract research and development services to its clients and manufactures APIs and chemical compounds based on customer orders in various forms. It is therefore impractical to apportion the consumption and cost of utilities to each unit of production.

RESEARCH AND DEVELOPMENT (R&D) AND TECHNOLOGY ABSORPTION

The primary business of your Company is providing Contract Research and Development & Manufacturing services to its clientele. Internal research and development activities are focused on the development of chemical processes for the synthesis of Active Pharmaceutical Ingredients and Intermediates for sale in the regulated/non-regulated markets. With the focused R&D efforts, your Company witnessed improvements in the production processes and yields with lower manufacturing costs. Your Company proposes to commercialize new products which are in the development stage.

During the year, your Company spent INR 38.59 Mm on recurring R&D and such expenditure as a percentage of turnover is 0.31%. Your Company did not spend any amount on capital items for R&D.

No technology import has been undertaken during the year, except for the proprietary technology provided by clients for providing them the R&D services.

EXPORTS, FOREIGN EXCHANGE EARNINGS, AND OUTGO

Majority of your Company's earnings are in foreign exchange as most of the contract research and development services are provided to clients overseas.

INR Mn

Particulars	**2021-22**	**2020-21**
Earnings ^	11633.04	8934.40
Outgo (including for capital items & dividends)^*	3101.90	1874.30

^On accrual basis

^*On an accrual basis, investments by the Company not included

ANNUAL REPORT ON CSR ACTIVITIES
FOR
THE FINANCIAL YEAR ENDED 31.03.2022

1. Brief outline of CSR Policy of the Company: The Company identified the following thrust areas for CSR activities:

   - Promoting "Education and Literacy" to underprivileged children, supporting socially backward people, and helping the differently-abled people.
   - Providing emergency medical care, preventive health care, sanitization, and safe drinking water.
   - Ensuring environmental sustainability, ecological balance, protection of flora and fauna, and conservation of natural resources.

2. Composition of the CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year *	Number of meetings of CSR Committee attended during the year*
1.	G V Sanjay Reddy	Vice-Chairman	1	1
2.	D S Brar	Chairman	1	1
3.	Rajat Sood	Director	1	1
4	Gerhard Mayr	Director	1	1

*Certain resolutions were passed by circulation.

3. Provide the web link where the Composition of the CSR committee, CSR Policy, and CSR projects approved by the board are disclosed on the website of the company: **https://www.aragen.com/our-responsibility/corporate-social-responsibility/.**

4. Provide the details of the Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): **Not Applicable**.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **NIL.**

Sl. No.	Financial Year	The amount available for set-off from preceding financial years (in INR)	The amount required to be set off for the financial year, if any (in INR)

6. Average net profit of the company as per section 135(5): (FY19-FY21): **INR 135,09,30,000/-**

7. a. Two percent of the average net profit of the company as per section 135(5): **INR 2,70,18,600/-**

   b. Surplus arising out of the CSR projects or programs or activities of the previous financial years: **NIL**

   c. Amount required to be set off for the financial year, if any: **NIL.**

   d. Total CSR obligation for the financial year (7a+7b-7c): **INR 2,70,18,600/-**

8. a. CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in INR)	Amount Unspent (in INR)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per the second proviso to section 135(5).		
INR 63,89,035	Amount (INR)	Date of transfer	Name of the Fund	Amount	Date of transfer
	2,06,29,565	29&30-Apr-2022	Nil		

b. Details of CSR amount spent against ongoing projects for the financial year: **NIL.**

1	2	3	4	5		6	7	8	9	10	11	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the Project		Project Duration	Amount allocated for the project (in INR)	Amount spent in the current financial Year (in INR).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in INR).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR registration number

c. Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the Project		Amount spent for the project (in INR).	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR registration number
1	COVID-19 Vaccination to Industrial Workers in Mallapur Area	Health Care	Yes	Telangana	Medchal-Malkajgiri	10,00,000	Yes		
2	Provision of Oxygen Concentrators for the treatment of COVID-19 Patients	Health Care	Yes	Telangana	NA	16,32,000	Yes		
3	Contribution towards Construction of Building for Blood Bank	Health Care	Yes	Telangana	Medchal-Malkajgiri	5,00,000	Yes		
4	Purchase of Emergency Medical Ambulance with equipment for COVID 19 /other Patients	Health Care	Yes	Telangana	NA	32,57,035	No	GVK Foundation	CSR00002951
	Total					**63,89,035**			

d. Amount spent in Administrative Overheads: **NIL**

e. Amount spent on Impact Assessment, if applicable: **NIL.**

f. Total amount spent for the Financial Year (8b+8c+8d+8e): **INR 2,70,18,600/-.**

g. Excess amount for set-off, if any: **NIL**

Sl. No.	Particular	Amount (in INR)
i	Two percent of the average net profit of the company as per section 135(5)	
ii	Total amount spent for the Financial Year	
iii	Excess amount spent for the financial year [(ii)-(i)]	
iv	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	
v	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. a. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in INR)	Amount spent in the reporting Financial Year (in INR).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in INR)
				Name of the Fund	Amount (in INR).	Date of transfer	
1	2018-19	0	2,04,00,000	NA	0	NA	3,97,92,589
2	2019-20	0	1,46,17,708	NA	0	NA	4,62,92,229
3	2020-21	0	6,35,33,626	PM Cares Fund	33,40,523	24-Sep-2021	0

b. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **NIL.**

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in INR).	Amount spent on the project in the reporting Financial Year (in INR)	Cumulative amount spent at the end of reporting Financial Year. (in INR)	Status of the project - Completed /Ongoing.

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **NOT APPLICABLE.**

(asset-wise details).

a) Date of creation or acquisition of the capital asset(s):

b) Amount of CSR spent for creation or acquisition of capital asset:

c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc.

d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5): **NIL**

(Manmahesh Kantipudi)
Director & CEO

(G V Sanjay Reddy)
Chairman - CSR Committee

Form AOC-1

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

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures (2021-22)

Part A Subsidiaries

(Rs.in Millions)

S.No.	Name of the subsidiary	The date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	Share capital	Reserves and surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	Extent of shareholding (in percentage)
1.	Aragen Bioscience Inc.	19th July, 2016	01-Apr-2021 to 31-Mar-2022	USD 75.81	0.02	480.04	986.55	506.49	-	1,348.83	-134.39	25.04	-159.43	-	100%
2.	Aragen Life Sciences B.V.	28th June, 2013	01-Apr-2021 to 31-Mar-2022	EUR 84.66	26.41	-21.08	58.71	53.38	-	166.90	8.60	-0.87	9.47	-	100%
3.	Intox Private Limited	13th December 2021	01-Apr-2021 to 31-Mar-2022	INR 1.00	7.60	530.39	760.88	222.89	0.03	671.72	252.52	61.82	190.70	-	56.82%
4.	Aragen Foundation	21st December 2021	01-Apr-2021 to 31-Mar-2022	INR 1.00	0.10	-0.08	0.07	.05	-	-	-0.08	-	-0.08	-	100%

Note: All foreign entity financial numbers are converted at closing rate.

For and on behalf of the Board of Directors of

Aragen Life Sciences Private Limited

Davinder Singh Brar
Chairman
DIN: 00068502

G V Sanjay Reddy
Vice-Chairman
DIN: 00005282

Manmahesh Kantipudi
Director & Chief Executive Officer
DIN: 05241166

Sachin Anand Dharap
Chief Financial Officer

K Ramakrishna
Company Secretary
M. No.: F3865

Place: Hyderabad
Date: 3rd August, 2022

CS

ABR & ASSOCIATES
Company Secretaries
B-41/A, Sai Sikhara, Ground Floor,
Madhura Nagar, Hyderabad-38.
Ph. No: 9291516984.
E-mail: bhimeshappana@gmail.com.

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year 2021-22

To,

The Members,
M/s. ARAGEN LIFE SCIENCES PRIVATE LIMITED
(*Formerly known as GVK Biosciences Private Limited)*
Plot No. 28A, IDA Nacharam, Hyderabad-500076. Telangana.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. ARAGEN LIFE SCIENCES PRIVATE LIMITED** (*Formerly known as GVK Biosciences Private Limited)* (hereinafter called the **"the Company"**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **M/s. ARAGEN LIFE SCIENCES PRIVATE LIMITED** (*Formerly known as GVK Biosciences Private Limited)* books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents, and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the company has, during the audit period covering the year ended 31st March 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms, and returns filed and other records maintained by "the Company" for the year ended 31st March 2022 according to the provisions of:

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

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

   (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder.

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

ABR & ASSOCIATES M.No.A35521 CP No: 13360 Company Secretaries

(v) The Industry-specific Acts, Labour, and other applicable laws applicable to the Company as provided by the management of the Company in their management representation letter;

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

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - **Not Applicable.**

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – **Not Applicable.**

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 – **Not Applicable.**

e) The Securities and Exchange Board of India (issue and listing of non-convertible securities) Regulations, 2021.

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

g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client; – **Not Applicable.**

h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – **Not Applicable.**

i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998– **Not Applicable.**

2. We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards (SS-1 & SS-2) issued by the Institute of Company Secretaries of India which were notified and effective from 1st July 2015.
(ii) Listing Agreement entered into by the Company with BSE Limited with respect to the listing of its non-convertible debentures.

3 During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, and Guidelines made thereunder.

ABR & ASSOCIATES
M.No.A35521
CP No: 13380
Company Secretaries

4. Adequate notice is given to all directors to schedule the Board/Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Provisions of the Act relating to the composition of the Board do not apply to the Company being a private limited company.

   The majority of decisions at Board Meetings and Committee Meetings are carried out as recorded in the minutes of the respective meetings.

5. We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

6. We further report that, during the audit period

   i. The Company allotted 11,55,611 equity shares of face value ₹10 each to the employees on exercise of their vested stock options.

   ii. In February 2022, the Company issued 2000 listed, rated, secured, redeemable, nonconvertible debentures of the face value of Indian Rupees Ten lakhs each, aggregating up to Indian Rupees Two Hundred crores (NCDs/Securities) in dematerialized form through private placement. The NCDs have a tenor of 3 years with an interest rate of 7.5% p.a., payable annually. The Securities are listed on the stock exchange-BSE Limited.

   iii. COMPOSITE SCHEME OF ARRANGEMENT: The Company, GVK Davix Technologies Private Limited, the parent company ("GVK Davix"), Excelra Knowledge Solutions Private Limited, and GVK Davix Research Private Limited (Fellow Subsidiaries) and their respective shareholders have entered into a Composite Scheme of Arrangement under Section 230 to 232 of the Companies Act, 2013 ("Scheme") which contemplates amalgamation of the residual GVK Davix (post demerger of its informatics business and only with investment in the Company) into the Company, with 2nd April 2021 as the Appointed Date, and is pending for final orders by the Hon'ble National Company Law Tribunal (NCLT).

   iv. ACQUISITION: The Company acquired a majority stake in Intox Private Limited, a Pune-based company engaged in providing Toxicology services. As per the share purchase agreement with the Promoters of Intox, the Company will be acquiring a further stake to hold up to 76% of its equity.

ABR & ASSOCIATES
M.No.A35521
CP No: 13380
Company Secretaries

ABR & ASSOCIATES
Company Secretaries
B-41/A, Sai Sikhara, Ground Floor,
Madhura Nagar, Hyderabad-38.
Ph. No: 9291516984.
E-mail: bhimeshappana@gmail.com.

v. During the year under review, Mr. Sanjiv Dwarkanath Kaul, nominee director from Destiny Investments Limited, resigned from the directorship of the Company. Mr. Adam Richard Dawson and Mr. Rajat Sood, both nominated by the Goldman Sachs Group, and Mr. Ajay Srivastava were appointed as Directors on the Board of Directors of the Company.

vi. The Company has adopted the restated Articles of Association at the Extra Ordinary General Meeting of the Company held on 19.05.2021.

For ABR & ASSOCIATES
Company Secretaries

ABR & ASSOCIATES M.No.A35521 CP No: 13380 Company Secretaries

A Bhimeswara

(A. BHIMESWARA RAO)
Proprietor
M. No. 35521: C.P No.13380.
ICSI UDIN: A035521D000337460

Place: Hyderabad
Date: 17.05.2022

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE-A' and forms an integral part of this report

ABR & ASSOCIATES
Company Secretaries
B-41/A. Sai Sikhara, Ground Floor,
Madhura Nagar, Hyderabad-38.
Ph. No: 9291516984.
E-mail: bhimeshappana@gmail.com.

'ANNEXURE-A'

To,
The Members,
M/s. ARAGEN LIFE SCIENCES PRIVATE LIMITED.
(*Formerly known as GVK Biosciences Private Limited)*
Plot No. 28A, IDA Nacharam, Hyderabad-500076. TG.

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events, etc.

5. The compliance with the provisions of Corporate and other applicable laws, rules, regulations, and standards is the responsibility of management. Our examination was limited to the verification of procedures on a test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For ABR & ASSOCIATES
Company Secretaries

ABR & ASSOCIATES M.No.A35521 CP No: 13380 Company Secretaries

A. Bhimeswara

(A. BHIMESWARA RAO)
Proprietor
M. No. 35521: C.P No.13380.
ICSI UDIN: A035521D000337460

Place: Hyderabad
Date: 17.05.2022

B S R & Associates LLP

Chartered Accountants

Salarpuriya Knowledge City,
Orwell, B Wing, 6th Floor, Unit-3,
Sy No. 83/1, Plot No. 02, Raidurg,
Hyderabad – 500 081 - India

Telephone: +91 40 7182 2000
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Revised Independent Auditor's Report

To the Members of Aragen Life Sciences Private Limited
(formerly known as GVK Biosciences Private Limited)

Report on the Audit of the Revised Standalone Financial Statements

This Report supersedes our Report dated 27 May 2022

Opinion

We have audited the revised standalone financial statements of Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)* (the "Company"), which comprise the revised standalone balance sheet as at 31 March 2022, and the revised standalone statement of profit and loss (including other comprehensive income), revised standalone statement of changes in equity and revised standalone statement of cash flows for the year then ended, and notes to the revised standalone financial statements, including a summary of 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 revised standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive loss, 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 Revised Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the revised standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the revised standalone financial statements.

B S R & Associates (a partnership firm with Registration No. BA69226) converted into B S R & Associates LLP (a Limited Liability Partnership with LLP Registration No. AAB-8182) with effect from October 14, 2013

Registered Office:

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

Emphasis of Matter

We draw attention to Note 1 and 42 of the revised standalone financial statements which describes the basis of preparation and scheme of merger respectively. As explained in detail therein, these revised standalone financial statements for the year ended 31 March 2022 have been prepared pursuant to the Composite Scheme of Arrangement ('the Scheme') from the specified retrospective appointed date (1 April 2021/ 2 April 2021), as approved by the National Company Law Tribunal (NCLT), Hyderabad Bench, vide order dated 30 May 2022 ("Order"). As per the requirements of Appendix C to Ind AS 103 "Business Combination", the merger of the Parent Company with the Company has been given effect to as if it had occurred from the beginning of the preceding period (i.e. 1 April 2020) in the revised standalone financial statements.

We issued a separate auditor's report dated 27 May 2022 on these standalone financial statements to the members of the Company. The Scheme, with an appointed date of 1 April 2021/2 April 2021, having been approved subsequently, the Company has now prepared revised standalone financial statements incorporating the impact of the Scheme. In accordance with the provisions of Standard on Auditing 560 (Revised) 'Subsequent Events' issued by The Institute of Chartered Accountants of India, our audit procedures, in so far as they relate to the revision to the standalone financial statements, have been carried out solely on this matter and no additional procedures have been carried out for any other events occurring after 27 May 2022 (being the date of our earlier audit report on the earlier standalone financial statements). Our earlier audit report dated 27 May 2022 on the earlier standalone financial statements is superseded by this revised report on the revised standalone financial statements.

Our opinion is not modified in respect of above matters.

Key Audit Matters

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

Key Audit Matter (continued)

The key audit matter	How the matter was addressed in our audit
1) Revenue Recognition **Also refer to note 19 of the revised standalone financial statements** The Company's revenue is derived from contract research, development and manufacturing activities. We have identified recognition of revenue as a key audit matter because of the following: • Revenue is a key performance indicator for the Company. There could be pressure on Management to meet expectations of investors/ other stakeholders and / or to meet revenue targets stipulated in performance incentive schemes for the reporting period. • Accordingly, there is a risk of fraud related to revenue being overstated by recognition in the wrong accounting period or being recognized before revenue recognition criteria have been satisfied.	We performed the following audit procedures: • Evaluated the Company's revenue recognition accounting policies and compliance with applicable accounting standards. • Tested the design and implementation of key internal financial controls with respect to revenue recognition and testing operating effectiveness of such controls. • Performed substantive testing on a sample basis of revenue transactions recorded during the year by checking the underlying documents such as sales contracts, shipping documents and customer acceptance to test evidence for satisfaction of the criteria for recognition of revenue during the year. • Test checked significant manual journals posted to revenue to identify any unusual items and sought explanations from Management. • Test checked sales transactions near to year-end and post year-end as well as credit notes issued post year-end to determine whether the revenue recognition during the year is appropriate.

Key Audit Matter (continued)

<table>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>2) Assessment of recoverability of the carrying value of investment in subsidiaries:

Also refer to note 5 of the revised standalone financial statements

As at 31 March 2022, the Company has investment in subsidiaries amounting to INR 2518.30 million.

These investments are evaluated at the end of each reporting period by Management to determine any indicators of impairment.

Based on factors considered, where such evidence exists, impairment loss is determined by Management and is recognized in accordance with note 2(p) of accounting policies to the revised standalone financial statements.

We identified the assessment of recoverability of the carrying value of investment in subsidiaries as a key audit matter considering the following:

• The significance of the value of these investments in the revised standalone financial statements.
• The inherent complexity in auditing the forward-looking assumptions applied to determine recoverable value given the significant Management judgements involved. The key assumptions in the cash flow models include the forecasted revenue, margins, terminal growth and discount rates.</td><td>We performed the following audit procedures:

• Tested the design and implementation of key internal financial controls with respect to Company's assessment of impairment analysis. Tested the operating effectiveness of these controls.

• Performed a retrospective comparison of prior period cash flow forecasts to actual performance.

• Challenged the key assumptions used by Management in the impairment assessment, specifically in relation to forecasted revenue, margins, terminal growth rate and discount rates with the assistance of our valuation specialists.

• Performed a sensitivity analysis on the outcome of impairment assessment to changes in key assumptions.

• Evaluated the adequacy of disclosures in the revised standalone financial statements, including disclosures of key assumptions, judgements and sensitivities.</td></tr>
</table>

Key Audit Matter (continued)

The key audit matter	How the matter was addressed in our audit
3) Valuation of work-in-progress **Also refer note 8 of the revised standalone financial statements** The carrying value of inventories as at 31 March 2022 is INR 959.39 million. This includes work in progress inventory of INR 451.73 million. We have identified valuation of work-in-progress as key audit matter because of the following: Valuation of work-in-progress is performed manually by Management which involves application of significant estimates and judgements. Refer Note 2(k) in the revised standalone financial statements for details of accounting policies on valuation of work-in-progress.	We performed the following audit procedures: • Evaluated the Company's accounting policy to value work-in-progress and compliance with applicable accounting standards. • Tested the design and implementation of key internal financial controls with respect to valuation of inventory work in progress and tested operating effectiveness of such controls. • Verified the Company's process and methodology for apportionment of overheads and the basis of apportionment. • Tested the accuracy of valuation of work-in-progress by recomputing the cost for selected samples. • Verified that the Company has valued inventory work in progress at the lower of cost and net realizable value on a sample basis.

Other Information

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

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

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

Management's and Board of Directors' Responsibilities for the revised Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these revised standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the revised standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the revised standalone 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 revised Standalone Financial Statements

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

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

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

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

Independent Auditors' Report on the Audit of the Revised Standalone Financial Statements of Aragen Life Sciences Private Limited for the year ended 31 March 2022 (continued)

Auditor's Responsibilities for the Audit of the revised Standalone Financial Statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of revised standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our revised auditor's report to the related disclosures in the revised standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our earlier 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 revised standalone financial statements, including the disclosures, and whether the revised standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Matter

We did not audit the standalone financial statements of the Parent Company (now merged with effect from 01 April 2021 as per the NCLT order dated 30 May 2022 and as mentioned in Emphasis of Matter paragraph above) included in the revised standalone financial statements of the Company whose financial statements reflect total assets of INR 344.43 million as at 31 March 2021 and the total revenue of INR Nil million, total net profit after tax of INR 338.75 million and net cash inflows amounting to INR 199.00 million for the year ended on that date, as considered in the revised standalone financial statements. The Parent Company has been audited by the independent auditor whose report has been furnished to us by the Management and our opinion in so far as it relates to amounts and disclosures included in respect of the Parent Company, is based solely on the report of such independent auditor, as adjusted for the accounting effects of the Scheme recorded by the Company (in particular, the accounting effects of Ind AS 103 'Business Combinations') and other consequential adjustments, which have been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

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

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The revised standalone balance sheet, the revised standalone statement of profit and loss (including other comprehensive income), the revised standalone statement of changes in equity and the revised standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid revised standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

   a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its revised standalone financial statements - Refer Note 34 to the revised standalone financial statements.

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

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

   d) (i) The management has represented that, to the best of its knowledge and belief as disclosed in Note 48 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

      - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or

      - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Independent Auditors' Report on the Audit of the Revised Standalone Financial Statements of Aragen Life Sciences Private Limited for the year ended 31 March 2022 (continued)

Report on Other Legal and Regulatory Requirements (continued)

(ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 48 to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) As stated in Note 13 to the revised standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the Members at the ensuing Annual General Meeting, The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

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

According to the information and explanations given to us and based on our examination of the records of the Company, the provisions of Section 197 of the Act are applicable only to a public company. Accordingly, the matter to be included in the revised Auditors' Report under Section 197(16) of the Act is not applicable to the Company.

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm's Registration No. 116231W/ W-100024

Arpan Jain

Arpan Jain
Partner
Membership No.: 125710
UDIN: 22125710AODXHE4554

Place: Hyderabad
Date: 03 August 2022

Annexure A to the revised Independent Auditor's Report on the revised standalone financial statements of Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)* for the year ended 31 March 2022

Report on the Companies (Auditor's Report) Order, 2020 ('the Order') under sub-section (11) of Section 143 of the Act

This report supersedes our Report dated 27 May 2022

With reference to the Annexure A referred to in Paragraph 1 in Report on Other Legal and Regulatory Requirements of the revised Independent Auditors' Report on the revised standalone financial statements of Aragen Life Sciences Private Limited ("the Company") for the year ended 31 March 2022, we report that:

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

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

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified once in three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, property, plant and equipment have been physically verified by the management during the previous year and no material discrepancies had been noticed on such verification. During the year no physical verification has been performed by the management.

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

Description of property	Gross carrying value (In INR Million)	Held in the name of	Whether promoter, director or their relative or employee	Period held-indicate range, where appropriate	Reason for not being held in the name of the company Also indicate if in dispute
Freehold land	47.95	Telangana State Industrial Infrastructure Corporation	No	2007	Land allotted pursuant to agreement for sale which is pending registration in the name of the Company
Freehold land	47.64	Karnataka Industrial Area Development Board	No	2008	

Annexure A to the revised Independent Auditor's Report on the revised standalone financial statements of Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)* for the year ended 31 March 2022 (continued)

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

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

(ii) (a) The inventory, except goods-in-transit, has been physically verified by the management during the year. For goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in Companies, in respect of which the requisite information is as below. The Company has not made any investments in firms, limited liability partnership or any other parties.

(a) According to the information and explanations given to us and based on the audit procedures carried on by us, the Company has not provided any loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity.

(b) According to the information and explanations given to us and based on the audit procedures carried on by us, we are of the opinion that the investments made are not prejudicial to the interest of the Company.

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

Annexure A to the revised Independent Auditor's Report on the revised standalone financial statements of Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)* for the year ended 31 March 2022 (continued)

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

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

(vi) According to explanations given to us, the Central Government of India has prescribed the maintenance of cost records under Section 148(1) of the Act for the services rendered by the Company. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' state insurance, Income tax, Goods and Service tax, Duty of customs, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company does not have liability in respect of Duty of excise during the year.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Income-Tax, Central Sales Tax, Duty of Customs, Service Tax or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Annexure A to the revised Independent Auditor's Report on the revised standalone financial statements of Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)* for the year ended 31 March 2022 (continued)

Name of the statute	Nature of dues	Amount (in INR. Million) **	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income tax	16.44	AY 2005-06	High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh
		36.91	AY 2006-07	
		85.60	AY 2008-09	
		59.80	AY 2009-10	
		126.02	AY 2010-11	
		101.81	AY 2011-12	
		132.55	AY 2012-13	
		155.74	AY 2013-14	
		220.32	AY 2014-15	Commissioner of Income Tax (Appeals)
		218.28 (19.39)*	AY 2015-16	
		29.53 (5.61)*	AY 2016-17	
		48.56 (10.08)*	AY 2017-18	
Finance Act, 1994	Service Tax	1.89 (0.14)*	2016-17	Commissioner of Customs and Central Tax (Appeals)
Central Sales tax, 1956	CST	1.45	2016-17	Deputy Commercial Tax Officer
Customs act 1962	Customs	9.27 (7.5)*	2013-14 to 2017-18	Commissioner of Customs (Appeals)

*represents amount paid under protest
** Amounts are as per assessment order

As explained to us, the Company did not have any disputed statutory dues on account of Provident fund, Employee State of Insurance and Goods and Service Tax ('GST').

Annexure A to the revised Independent Auditor's Report on the revised standalone financial statements of Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)* for the year ended 31 March 2022 (continued)

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

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

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

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

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

(e) According to the information and explanations given to us and on an overall examination of the revised standalone financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidy as defined under Companies Act, 2013. The Company does not have associates or joint ventures.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under Companies Act, 2013). The Company does not have associates or joint ventures.

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

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

Annexure A to the revised Independent Auditor's Report on the revised standalone financial statements of Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)* for the year ended 31 March 2022 (continued)

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

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

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

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

(xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Companies Act, 2013 are not applicable to the Company. According to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the revised standalone financial statements as required by the applicable accounting standards.

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

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

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

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

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

(d) According to the information and explanations given to us, the Group does not have more than one CIC.

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

Annexure A to the revised Independent Auditor's Report on the revised standalone financial statements of Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)* for the year ended 31 March 2022 (continued)

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

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in Director's report is expected to be made available to us after the date of this auditor's report.

(xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Companies Act, 2013 pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

(b) In respect of ongoing projects, the Company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Sec.135(6) of the said Act.

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm's Registration No. 116231W/ W-100024

Arpan Jain
Partner
Membership No.: 125710
UDIN: 22125710AODXHE4554

Place: Hyderabad
Date: 03 August 2022

Annexure B to the revised Independent Auditors' report on the revised standalone financial statements of Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)* for the year ended 31 March 2022.

Report on the internal financial controls with reference to the aforesaid revised standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

This Report supersedes our Report dated 27 May 2022

Opinion

We have audited the internal financial controls with reference to revised standalone financial statements of Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)* ("the Company") as of 31 March 2022 in conjunction with our audit of the revised standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to revised standalone financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to revised standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Emphasis of Matter

We draw attention to Note 1 and 42 of the revised standalone financial statements which describes the basis of preparation and scheme of merger respectively. As explained in detail therein, these revised standalone financial statements for the year ended 31 March 2022 have been prepared pursuant to the Composite Scheme of Arrangement ('the Scheme') from the specified retrospective appointed date (1 April 2021/ 2 April 2021), as approved by the National Company Law Tribunal (NCLT), Hyderabad Bench, vide order dated 30 May 2022 ("Order"). As per the requirements of Appendix C to Ind AS 103 "Business Combination", the merger of the Parent Company with the Company has been given effect to as if it had occurred from the beginning of the preceding period (i.e. 1 April 2020) in the revised standalone financial statements.

We issued a separate auditor's report dated 27 May 2022 on these standalone financial statements to the members of the Company. The Scheme, with an appointed date of 1 April 2021/2 April 2021, having been approved subsequently, the Company has now prepared revised standalone financial statements incorporating the impact of the Scheme. In accordance with the provisions of Standard on Auditing 560 (Revised) 'Subsequent Events' issued by The Institute of Chartered Accountants of India, our audit procedures, in so far as they relate to the revision to the standalone financial statements, have been carried out solely on this matter and no additional procedures have been carried out for any other events occurring after 27 May 2022 (being the date of our earlier audit report on the earlier standalone financial statements). Our earlier audit report dated 27 May 2022 on the earlier standalone financial statements is superseded by this revised report on the revised standalone financial statements.

Our opinion is not modified in respect of above matters.

Annexure B to the revised Independent Auditors' report on the revised standalone financial statements of Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)* for the year ended 31 March 2022 (continued)

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to revised standalone financial statements.

Annexure B to the revised Independent Auditors' report on the revised standalone financial statements of Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)* for the year ended 31 March 2022 (continued)

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the revised standalone financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm's Registration No. 116231W/ W-100024

Arpan Jain

Arpan Jain
Partner
Membership No.: 125710
UDIN: 22125710AODXHE4554

Place: Hyderabad
Date: 03 August 2022

Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)*
Revised Standalone Balance Sheet as at 31 March 2022 (refer note 42)
(All amounts in ₹ million, except share data, unless otherwise stated)

	Notes	As at 31 March 2022	As at 31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	3	8,280.05	5,369.22
Capital work-in-progress	3	281.63	735.11
Other intangible assets	4	22.24	17.55
Right-of-use assets	3A	376.00	351.66
Financial assets			
- Investments	5	2,520.13	1,164.45
- Loans	6	2.34	0.36
- Other financial assets	7	490.28	65.26
Deferred tax assets (net)	26	-	6.49
Non-current tax assets (net)	26	232.02	197.77
Other non-current assets	11	16.19	37.68
Total non-current assets		**12,220.88**	**7,945.55**
Current assets			
Inventories	8	959.39	664.84
Financial assets			
- Trade receivables	9	2,036.43	1,933.00
- Cash and cash equivalents	10A	2,071.94	659.45
- Bank balances other than cash and cash equivalents	10B	1,284.56	1,166.09
- Loans	6	1.23	1.11
- Other financial assets	7	153.18	172.63
Other current assets	11	737.44	700.96
Total current assets		**7,244.17**	**5,298.08**
Total assets		**19,465.05**	**13,243.63**
Equity and liabilities			
Equity			
Equity share capital	12	681.38	669.82
Other equity	13	9,748.52	7,633.17
Total Equity		**10,429.90**	**8,302.99**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	14	4,402.28	1,349.17
- Lease liabilities	3A	157.96	156.39
Provisions	15	193.33	165.96
Deferred tax liabilities (net)	26	40.94	-
Total non-current liabilities		**4,794.51**	**1,671.52**
Current liabilities			
Financial liabilities			
- Borrowings	14	805.79	1,120.37
- Lease liabilities	3A	77.94	48.72
- Trade payables	16		
-Total outstanding dues of micro and small enterprises		128.62	86.16
-Total outstanding dues of creditors other than micro and small enterprises		1,126.91	1,026.60
- Other financial liabilities	17	1,394.32	495.57
Provisions	15	23.59	20.09
Current tax liabilities (net)	26	93.88	131.31
Other current liabilities	18	589.59	340.30
Total current liabilities		**4,240.64**	**3,269.12**
Total liabilities		**9,035.15**	**4,940.64**
Total equity and liabilities		**19,465.05**	**13,243.63**
Company background & Significant accounting policies	1 & 2		

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

for **B S R & Associates LLP**
Chartered Accountants

ICAI Firm Registration No: 116231W/ W-100024

Arpan Jain
Partner
Membership No. 125710

Place: Hyderabad
Date: 03 August 2022

for and on behalf of the Board of Directors of
Aragen Life Sciences Private Limited
(formerly known as GVK Biosciences Private Limited)
CIN: U74999TG2000PTC035826

Davinder Singh Brar
Chairman
DIN: 00068502

G V Sanjay Reddy
Vice Chairman
DIN: 00005282

K Ramakrishna
Company Secretary
M.No.: F3865

Sachin Anand Dharap
Chief Financial Officer

Manmahesh Kantipudi
Director & Chief Executive Officer
DIN: 05241166

Place: Hyderabad
Date: 03 August 2022

Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)*
Revised Standalone Statement of Profit and Loss for the year ended 31 March 2022 (refer note 42)
(All amounts in ₹ million, except share data, unless otherwise stated)

	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from operations	19	12,359.68	9,501.77
Other income	20	173.78	345.75
Total income		**12,533.46**	**9,847.52**
Expenses			
Cost of materials consumed	21	1,990.23	1,326.22
Changes in inventories of work-in-progress and finished goods	22	(253.81)	72.69
Employee benefits expense	23	2,969.39	2,287.44
Finance costs	24	227.57	170.98
Depreciation and amortisation expenses	3,4 & 3A	1,068.13	835.72
Other expenses	25	3,758.40	3,162.31
Total expenses		**9,759.91**	**7,855.36**
Profit before tax		**2,773.55**	**1,992.16**
Income-tax expense			
(a) Current tax	26	620.79	511.68
(b) Current tax relating to prior years	26	(2.84)	-
(c) Deferred tax expense / (benefit)	26	45.82	4.27
Total tax expense		**663.77**	**515.95**
Profit for the year		**2,109.78**	**1,476.21**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement gain/(loss) on defined benefit plans		7.40	(0.25)
Income-tax effect on above		(1.78)	0.07
Items that will be reclassified subsequently to profit or loss			
Effective portion of cashflow hedge		6.39	444.96
Income-tax effect on above		(1.61)	(111.99)
Total other comprehensive income, net of tax		**10.40**	**332.79**
Total comprehensive income for the year		**2,120.18**	**1,809.00**
Earnings per share (EPS)			
(a) Basic	27	31.42	22.31
(b) Diluted	27	31.06	21.76
Company background & Significant accounting policies	1 & 2		

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

for **B S R & Associates LLP**
Chartered Accountants

ICAI Firm Registration No: 116231W/ W-100024

Arpan Jain
Partner
Membership No. 125710

Place: Hyderabad
Date: 03 August 2022

for and on behalf of the Board of Directors of
Aragen Life Sciences Private Limited
(formerly known as GVK Biosciences Private Limited)
CIN: U74999TG2000PTC035826

Davinder Singh Brar
Chairman
DIN: 00068502

G V Sanjay Reddy
Vice Chairman
DIN: 00005282

K Ramakrishna
Company Secretary
M.No.: F3865

Sachin Anand Dharap
Chief Financial Officer

Manmahesh Kantipudi
Director & Chief Executive Officer
DIN: 05241166

Place: Hyderabad
Date: 03 August 2022

Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)*

Revised Statement of Changes in Equity for the year ended 31 March 2022 (refer note 42)

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

(a) Equity share capital

	Number	Amount
Equity shares of ₹10 each issued, subscribed and fully paid		
As at 01 April 2020	6,69,82,452	669.82
As at 31 March 2021	**6,69,82,452**	**669.82**
Issued during the year	11,55,611	11.56
As at 31 March 2022	**6,81,38,063**	**681.38**

(b) Other equity

Particulars	Reserves and Surplus								Other comprehensive income	Total other equity
	Securities premium	Treasury shares	Capital reserve	General reserve	Retained earnings	Debenture redemption reserve	Capital redemption reserve	Share based payment reserve	Effective portion of cashflow hedge	
Balance as at 1 April 2020	**185.81**	**(145.78)**	**(415.82)**	**204.81**	**6,444.17**	-	-	**106.14**	**(229.92)**	**6,149.41**
On account of Composite scheme of arrangement (refer note 42)	-	-	181.65	6.24	66.28	-	3.36	-	-	257.53
Balance as at 1 April 2020 (Restated)	**185.81**	**(145.78)**	**(234.17)**	**211.05**	**6,510.45**	-	**3.36**	**106.14**	**(229.92)**	**6,406.94**
Profit for the year	-	-	-	-	1,476.21	-	-	-	-	1,476.21
Other comprehensive income	-	-	-	-	(0.18)	-	-	-	332.97	332.79
Dividends	-	-	-	-	(582.77)	-	-	-	-	(582.77)
Balance as at 31 March 2021	**185.81**	**(145.78)**	**(234.17)**	**211.05**	**7,403.71**	-	**3.36**	**106.14**	**103.05**	**7,633.17**
Profit for the year	-	-	-	-	2,109.78	-	-	-	-	2,109.78
Transfer to debenture redemption reserve	-	-	-	-	(200.00)	200.00	-	-	-	-
Issue of share capital	205.52	-	-	-	-	-	-	(54.33)	-	151.19
Other comprehensive income	-	-	-	-	5.62	-	-	-	4.78	10.40
Movement in treasury shares	-	1.98	-	-	-	-	-	-	-	1.98
Employee stock compensation expenses	-	-	-	-	-	-	-	69.85	-	69.85
On account of Composite scheme of arrangement (refer note 42)	-	-	(227.85)	-		-				(227.85)
Balance as at 31 March 2022	**391.33**	**(143.80)**	**(462.02)**	**211.05**	**9,319.11**	**200.00**	**3.36**	**121.66**	**107.83**	**9,748.52**

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

As per our Report on Revised Standalone Financial Statements of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registrartion No: 116231W/ W-100024

Arpan Jain
Partner
Membership No. 125710

Place: Hyderabad
Date: 03 August 2022

for and on behalf of the Board of Directors of
Aragen Life Sciences Private Limited
(formerly known as GVK Biosciences Private Limited)
CIN: U74999TG2000PTC035826

Davinder Singh Brar
Chairman
DIN: 00068502

G V Sanjay Reddy
Vice Chairman
DIN: 00005282

K Ramakrishna
Company Secretary
M.No.: F3865

Sachin Anand Dharap
Chief Financial Officer

Manmahesh Kantipudi
Director & Chief Executive Officer

Place: Hyderabad
Date: 03 August 2022

Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)*
Revised Standalone Statement of cash flows for the year ended 31 March 2022 (refer note 42)
(All amounts in ₹ million, except share data, unless otherwise stated)

	For the year ended	
	31 March 2022	**31 March 2021**
Cash flow from operating activities		
Profit before tax	2,773.55	1,992.16
Adjustments for:		
Depreciation and amortisation expense	1,068.13	835.72
Dividend income	-	(130.81)
Interest income	(60.65)	(90.94)
Liabilities no longer required written back	(30.28)	(51.34)
Income from investments	-	(0.34)
Interest expense	227.57	171.23
Employee stock compensation expense	69.85	-
Unrealized foreign exchange fluctuation gain	(8.77)	(28.31)
Gain on sale of Property, plant & equipment	-	(4.11)
(Reversal)/provision for doubtful debts, net	(10.82)	17.77
Financial guarantee income	(2.45)	(2.45)
Property, plant and equipment written-off	0.74	2.15
Adjustments for working capital		
(Increase)/decrease in inventories	(294.55)	56.45
Increase in trade receivables	(105.75)	(324.53)
(Increase)/decrease in loans given	(0.12)	2.57
Increase in other non-current financial assets	(11.33)	(2.85)
Increase in other current assets	(33.79)	(161.62)
Increase in trade payables	173.22	103.89
Increase in other current financial liabilities	223.68	22.21
Increase in provisions	38.27	27.30
Increase in other current liabilities	254.00	125.70
Cash generated from operations	**4,270.50**	**2,559.85**
Income-tax paid	(691.41)	(466.46)
Net cash flow generated from operating activities	**3,579.09**	**2,093.39**
Cash flows from investing activities		
Purchase of property, plant and equipment incl. CWIP and Capital advances	(3,299.42)	(1,330.92)
Dividend income received	-	130.81
Proceeds from sale of property, plant and equipment	-	4.20
Redemption of margin money deposits	3.95	-
(Investment in)/redemption of fixed deposits, net	(525.94)	(484.65)
Loans repaid by related parties	-	270.12
Income from investments	-	0.34
Payment towards acquisition of subsidiaries	(1,074.08)	(258.96)
(Investment in)/Redemption of mutual funds, net	-	10.10
Finance and interest income received	76.32	70.25
Net cash used in investing activities	**(4,819.17)**	**(1,588.71)**

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Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)*
Revised Standalone Statement of cash flows for the year ended 31 March 2022 (refer note 42)
(All amounts in ₹ million, except share data, unless otherwise stated)

	For the year ended	
	31 March 2022	**31 March 2021**
Cash flow from financing activities		
Proceeds from issue of equity shares	162.75	-
Proceeds from long-term borrowings	3,480.00	-
Repayment of long-term borrowings	(311.64)	(137.49)
Repayment of lease liabilities	(79.79)	(54.17)
Payment of dividend	-	(582.77)
Repayment from short-term borrowings, net	(419.29)	(154.00)
Interest expense paid	(179.46)	(151.49)
Net cash flow generated/(used) in financing activities	**2,652.57**	**(1,079.92)**
Net increase/(decrease) in cash and cash equivalents	**1,412.49**	**(575.24)**
Cash and cash equivalents at the beginning of the year	659.45	1,233.19
Cash and cash equivalents on account of composite scheme of arrangement (refer note 42)	-	1.50
Cash and cash equivalents at the end of the year	**2,071.94**	**659.45**
Cash and cash equivalents comprise		
Balances with banks		
On current accounts	765.41	298.96
Fixed deposits with maturity of less than 3 months	1,305.84	360.00
Cash on hand	0.69	0.49
Total cash and cash equivalents at end of the year	**2,071.94**	**659.45**

Refer note 14 for net debt reconciliation

for **B S R & Associates LLP**
Chartered Accountants

ICAI Firm Registrartion No: 116231W/ W-100024

Arpan Jain
Partner
Membership No. 125710

Place: Hyderabad
Date: 03 August 2022

for and on behalf of the Board of Directors of
Aragen Life Sciences Private Limited
(formerly known as GVK Biosciences Private Limited)
CIN: U74999TG2000PTC035826

Davinder Singh Brar
Chairman
DIN: 00068502

G V Sanjay Reddy
Vice Chairman
DIN: 00005282

K Ramakrishna
Company Secretary
M.No.: F3865

Sachin Anand Dharap
Chief Financial Officer

Manmahesh Kantipudi
Director & Chief Executive Officer
DIN: 05241166

Place: Hyderabad
Date: 03 August 2022

1. Company overview

Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)* ("the Company"), is a Company incorporated in the year 2000 under the provisions of the Companies Act, 1956. The Company is primarily engaged in providing contract research and development services to global Pharmaceutical and Biotechnology companies. The Company's headquarter is located at 28 A, IDA Nacharam, Hyderabad, Telangana 500076, India.

These revised standalone financial statements are authorised for issue by the Board of Directors of the Company at their meeting held on 03 August 2022. The earlier standalone financial statements of the Company for the year ended 31 March 2022 were first approved by the Board of Directors on 26 May 2022. The earlier standalone financial statements of the Company are being revised pursuant to an approved Scheme of Arrangement, the details of which are stated in note 42.

2. Summary of significant accounting policies

(a) Statement of compliance

The revised financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 ("the Rules") (as amended).

(b) Basis of preparation of revised financial statements

The revised financial statements have been prepared on a historical cost basis, except for the following item:
- Defined benefit liability/(assets): fair value of plan assets less present value of defined benefit obligation
- Certain financial assets and liabilities that are measured at fair value or amortised 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 All other assets are classified as non-current.

The Company classifies all other assets as non-current.

Current versus non-current classification

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

The Company classifies all other liabilities as non-current.

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

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

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2. Summary of significant accounting policies (continued)

Foreign currencies:

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

The revised financial statements are rounded off to the nearest millions.

Initial recognition

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

Conversion

Foreign currency monetary items are reported at year-end rates. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Exchange differences

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

(d) Fair value measurement:

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

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

The principal or the most advantageous market must be accessible by the Company. 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 Company recognises revenue in accordance with Ind-AS 115 'Revenue from Contracts with Customers'. The Standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract (s) with a customer
Step 2: Identify the performance obligation in contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

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2. Summary of significant accounting policies (continued)

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

i. **Contract research and manufacturing services income**

The Company derives revenues primarily from Contract research and manufacturing services income. 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.

Arrangement with customers for Contract research and manufacturing services income are either on a time-and-material basis, fixed price or on a sale of 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.

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. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as sales tax or other 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.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

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

ii) **Sale of Products**

Revenue from sale of products is recognized at the point-in time when the goods are delivered to the customer.

iii) **Dividends**

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

iv) **Interest Income**

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

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.

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2. Summary of significant accounting policies (continued)

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits 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

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

Deferred tax

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(g) Property, plant and equipment

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

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

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

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

Borrowing costs

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

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

Particulars	Management estimate (No. of years)	Schedule II (No. of years)
Buildings (Including Roads)	10- 30 Years	10- 30 Years
Laboratory equipment	7 Years	10 Years
Plant and machinery	20 Years	20 Years
Computer and related equipment	3 - 4 Years	3 - 6 Years
Office equipment	5 - 10 Years	5 - 10 Years
Furniture and fixtures	10 Years	10 Years
Vehicles	8 Years	8 Years

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

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

(h) Intangible assets

Software licenses including computer software

Intangible assets in the nature of software licenses are measured on initial recognition at cost including expenditure incurred towards implementation of such software. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit or Loss when the asset is derecognised.

Amortization

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

(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. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

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

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

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

    - the Company has the right to operate the asset; or

    - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 April 2019.

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

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Aragen Life Sciences Private Limited Hyderabad

2. Summary of significant accounting policies (continued)

As a lessee

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

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

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

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

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

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

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

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

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

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

(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 assets

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

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2. Summary of significant accounting policies (continued)

(l) Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event i.e., it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

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

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

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

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

Gratuity

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The contributions made to the fund are recognised as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognised in the Balance Sheet. Re-measurements are recognised in the other comprehensive income, net of tax in the year in which they arise.

When the calculation results in a potential asset for the company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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2. Summary of significant accounting policies (continued)

Other long term employee benefits

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

(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.

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

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:
- Debt instruments
- Equity instruments

Debt instruments

A 'debt instrument' is measured at the amortised cost if both the following conditions are met: a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit or Loss. The losses arising from impairment are recognised in the Statement of Profit or Loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 9.

Equity instruments

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

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2. Summary of significant accounting policies (continued)

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.

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.

Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in statement of profit and loss.

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognized in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in statement of profit and loss

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to statement of profit and loss.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the debt instruments, that are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Company estimates full provision for all the amounts which the management estimates that they are not recoverable.

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.

2. Summary of significant accounting policies (continued)

Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

Loans and borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some of all the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down. The fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates 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. For more information, refer Note 14.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

As guarantees in relation to loans and other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

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

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2. Summary of significant accounting policies (continued)

Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

Treasury shares:

The company has created a GVK Bio Sciences Private Limited Employees Welfare Trust ("Trust") for providing share-based payment to its employees. The company uses the Trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The Trust buys shares of the company from the employees, for future grants to employees in pursuant to the Employee Stock Option Scheme. The company treats the Trust as its extension and shares held by the Trust are treated as treasury shares. Those equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity of the Company. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in reserve. Share options exercised during the reporting period are satisfied with treasury shares.

Cash and cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

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

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

Investments

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

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

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

(p) Earnings per equity share

Basic earnings per equity share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

(q) Cash flow statement

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

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2. Summary of significant accounting policies (continued)

(r) Standards issued but not effective

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. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 16 – Proceeds before intended use
The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its revised financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract
The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification, and the Company does not expect the amendment to have any significant impact in its revised financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)
The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its revised financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)
The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its revised financial statements.

Ind AS 103 – Reference to Conceptual Framework
The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its revised financial statements.

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

	Land (refer note (i))	Buildings	Plant & Machinery	Laboratory equipment	Furniture and fixtures	Vehicles	Office equipment	Computer and related equipment	Leasehold improvements	Total
Gross block										
As at 31 March 2020	151.22	1,598.21	1,222.60	3,563.07	346.57	2.38	679.24	130.73	21.54	7,715.56
Additions during the year	-	23.43	83.84	753.10	33.54	1.91	48.45	28.34	2.52	975.13
Adjustments/Disposals	-	-	(0.31)	(83.28)	(0.86)	-	(6.35)	(6.59)	-	(97.39)
As at 31 March 2021	**151.22**	**1,621.64**	**1,306.13**	**4,232.89**	**379.25**	**4.29**	**721.34**	**152.48**	**24.06**	**8,593.30**
Additions during the year	-	882.60	150.70	2,082.61	205.98	2.10	491.07	91.59	-	3,906.65
Adjustments/Disposals	-	-	(6.90)	(0.48)	(0.69)	-	(0.33)	-	-	(8.40)
As at 31 March 2022	**151.22**	**2,504.24**	**1,449.93**	**6,315.02**	**584.54**	**6.39**	**1,212.08**	**244.07**	**24.06**	**12,491.55**
Accumulated depreciation										
As at 31 March 2020	-	226.72	226.13	1,553.98	134.38	1.37	295.86	90.73	12.35	2,541.52
Charge for the year	-	59.91	69.81	502.75	32.17	0.28	86.60	23.48	2.80	777.80
Adjustments or disposals	-	-	(0.15)	(81.84)	(0.82)	-	(5.89)	(6.54)	-	(95.24)
As at 31 March 2021	**-**	**286.63**	**295.79**	**1,974.89**	**165.73**	**1.65**	**376.57**	**107.67**	**15.15**	**3,224.08**
Charge for the year	-	77.11	75.72	644.40	46.49	0.64	106.47	37.61	2.81	991.25
Adjustments or disposals	-	-	(3.60)	(0.15)	(0.05)	-	(0.03)	-	-	(3.83)
As at 31 March 2022	**-**	**363.74**	**367.91**	**2,619.14**	**212.17**	**2.29**	**483.01**	**145.28**	**17.96**	**4,211.50**
Net block as at										
31 March 2022	**151.22**	**2,140.50**	**1,082.02**	**3,695.88**	**372.37**	**4.10**	**729.07**	**98.79**	**6.10**	**8,280.05**
31 March 2021	151.22	1,335.01	1,010.34	2,258.00	213.52	2.64	344.77	44.81	8.91	5,369.22

Note (i):
^ Includes Land amounting to ₹ 47.95 (31 March 2021: ₹ 92.47) allotted to the Company pursuant to the agreement for sale of land with Telangana State Industrial Infrastructure Corporation Limited (formerly Andhra Pradesh Industrial Infrastructure Corporation Limited), which is pending registration as at 31 March 2022.

Further includes Land amounting to ₹ 47.64 (31 March 2021: ₹ 47.64) allotted to the Company pursuant to the agreement for sale of land with Karnataka Industrial Area Developement Board, which is pending registration as at 31 March 2022.

Refer note 14 for the details of assets pledged against borrowings.

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

Title deeds of immovable property not held in the name of the Company

Particulars	As at 31 March 2022 / 31 March 2021
Relevant line item in the Balance sheet	Property, Plant and Equipment
Description of item of property	Land
Gross carrying value	95.59
Title deeds held in the name of	Refer Note (i) above
Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	No
Reason for not being held in the name of the Company	Refer Note (i) above

Capital work-in-progress:
Capital work-in-progress (CWIP) comprises expenditure for the building, plant and machinery, laboratory and electrical equipment in the course of construction. The balance of CWIP as at 31 March 2022 is ₹281.63 (31 March 2021: ₹735.11). The balance of expenditure during construction period pending allocation as at 31 March 2022 is ₹3.84 (31 March 2021: ₹3.84).

Ageing for capital work-in-progress as at March 31, 2022 is as follows:

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	233.63	4.37	3.77	39.86	281.63
Projects temporarily suspended	-	-	-	-	-
Total	**233.63**	**4.37**	**3.77**	**39.86**	**281.63**

Ageing for capital work-in-progress as at March 31, 2021 is as follows:

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	455.29	178.27	73.63	27.92	735.11
Projects temporarily suspended	-	-	-	-	-
Total	**455.29**	**178.27**	**73.63**	**27.92**	**735.11**

Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

Details of expenditure capitalised during the year

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	3.84	3.84
Less: Capitalized during the year	-	-
Balance at the end of the year	**3.84**	**3.84**

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

Following are the changes in the carrying values of right of use assets for the year ended 31 March 2022

	Category of ROU Assets				
	Land	Buildings	Laboratory equipment	Vehicles	Total
As at 31 March 2020	**203.41**	**90.86**	**-**	**10.69**	**304.96**
Additions during the year	-	11.89	101.21	5.47	118.57
As at 31 March 2021	**203.41**	**102.75**	**101.21**	**16.16**	**423.53**
Additions during the year	-	79.83	-	26.77	106.60
Less: Adjustments/Disposals	-	(43.84)	-	(10.45)	(54.29)
As at 31 March 2022	**203.41**	**138.74**	**101.21**	**32.48**	**475.84**
Accumulated depreciation					
As at 31 March 2020	3.06	17.22	-	5.51	**25.79**
Depreciation	3.22	25.82	13.70	3.34	46.08
As at 31 March 2021	**6.28**	**43.04**	**13.70**	**8.85**	**71.87**
Depreciation	3.22	36.48	20.58	6.57	66.85
Less: Adjustments/Disposals	-	(28.43)	-	(10.45)	(38.88)
As at 31 March 2022	**9.50**	**51.09**	**34.28**	**4.97**	**99.84**
Balance as at 31 March 2022	**193.91**	**87.65**	**66.93**	**27.51**	**376.00**
Balance as at 31 March 2021	197.13	59.71	87.51	7.31	351.66

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

The following is the movement in lease liabilities during the year ended 31 March 2022

	As at	
	31 March 2022	31 March 2021
Balance at the beginning of the year	205.11	124.06
Additions	106.60	118.57
Deletions from Lease liability	(16.36)	-
Finance cost accrued during the year	20.34	16.65
Payment of lease liabilities	(79.79)	(54.17)
Balance at the end of the year	**235.90**	**205.11**

The following is the break-up of current and non-current lease liabilities as at 31 March 2022

	As at	
	31 March 2022	31 March 2021
Current lease liabilities	77.94	48.72
Non-current lease liabilities	157.96	156.39
Total	**235.90**	**205.11**

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

	As at	
	31 March 2022	31 March 2021
Less than one year	95.27	65.16
One to five years	142.24	148.08
More than five years	319.73	324.25
Total	**557.24**	**537.49**

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

Amounts recognised in the statement of profit and loss

	For the year ended	
	31 March 2022	31 March 2021
Interest on lease liabilities	20.34	16.65
Expenses relating to short-term leases	4.54	4.19
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	-	-
	24.88	**20.84**

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4 Other intangible assets

	Computer Software	Total
Gross block		
As at 31 March 2020	**42.24**	**42.24**
Additions during the year	11.37	11.37
As at 31 March 2021	**53.61**	**53.61**
Additions during the year	14.72	14.72
As at 31 March 2022	**68.33**	**68.33**
Accumulated amortization		
As at 31 March 2020	**24.22**	**24.22**
Charge for the year	11.84	11.84
As at 31 March 2021	**36.06**	**36.06**
Charge for the year	10.03	10.03
As at 31 March 2022	**46.09**	**46.09**
Net block		
As at 31 March 2022	**22.24**	**22.24**
As at 31 March 2021	17.55	17.55

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5 Investments

	As at	
	31 March 2022	**31 March 2021**
Unquoted		
Investments designated at fair value through profit & loss (FVTPL)		
Investments in equity instruments of subsidiaries		
391,141 (31 March 2021: 391,141) equity shares of €1 each fully paid-up of Aragen Life Sciences B.V., (formerly GVK Biosciences B.V.,) Netherlands	33.34	33.34
Less: Provision for impairment in value of investment	(33.34)	(33.34)
796,000 (31 March 2021: 796,000) Series A common stock of $0.0001 each, fully paid-up of Aragen Bioscience Inc., United States of America. (refer note a)	325.08	322.63
176,056 (31 March 2021: 176,056) Series B common stock of $0.0001 each, fully paid-up of Aragen Bioscience Inc., United States of America.	258.36	258.36
431,864 (31 March 2021: Nil) equity shares of Rs. 10 each, fully paid-up of Intox Private Limited	1,580.98	-
10,000 (31 March 2021: Nil) equity shares of Rs. 10 each, fully paid-up of Aragen Foundation	0.10	-
Nil (31 March 2021: 668,000) equity shares of Rs. 10 each, fully paid-up of Excelra Knowledge Solutions Private Limited (refer note 42)	-	227.25
Nil (31 March 2021: 9,999) equity shares of Rs. 10 each, fully paid-up of GVK Davix Research Private Limited (refer note 42)	-	0.60
Investments in preference shares of subsidiaries		
725,000 (31 March 2021: 725,000) Series A preferred stock of $0.0001 each, fully paid-up of Aragen Bioscience Inc., United States of America.	282.59	282.59
169,000 (31 March 2021: 169,000) Series B preferred stock of $0.0001 each, fully paid-up of Aragen Bioscience, Inc., United States of America.	71.19	71.19
Investments designated at Fair value through profit & loss (FVTPL)		
Investments in equity instruments of other entities		
1,310 (31 March 2021: 1,310) equity shares of ₹1,000 each fully paid-up of Mana Effluent Treatment Private Limited, India	1.31	1.31
51,430 (31 March 2021: 51,430) Equity shares of ₹10 each fully paid-up of Pattancheru Envirotech Limited (held in the name of Dai-Ichi Karkaria Ltd., pending transfer), India.	0.51	0.51
Investments in government securities carried at FVTPL		
National savings certificate	0.01	0.01
	2,520.13	**1,164.45**
-Aggregate amount of quoted investments and market value thereof;	-	-
-Aggregate amount of unqouted investments; and	2,553.47	1,197.79
-Aggregate amount of provision for impairment in value of investments	33.34	33.34

Note :

a. Includes an amount of ₹16.80 (31 March 2021: ₹14.35) in Aragen Bioscience, Inc. which is recognised as investment towards financial guarantee provided by the Company for no consideration as at 31 March 2022.

b. Information about the company's exposure to credit risk, market risk and fair value measurement is included in note 30 and note 28.

c. Reconciliation of provision for impairment in value of investment:

Particulars	**Amount**
Provision for Impairment as on 01 April 2020	**33.34**
Changes in impairment	-
Provision for Impairment as on 31 March 2021	**33.34**
Changes in impairment	-
Provision for Impairment as on 31 March 2022	**33.34**

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6 Loans

	As at 31 March 2022	As at 31 March 2021
Non-current		
(Unsecured, considered good)		
Loans to related parties (refer note i) (refer note 36(c))		
-Employee welfare trust (refer note ii)	2.34	0.36
	2.34	**0.36**
Current		
(Unsecured, considered doubtful)		
Loans to related parties-subsidiaries	30.69	30.69
Less: Provision for loss allowance	(30.69)	(30.69)
Other loans		
-Loan to employees (unsecured, considered good)	1.23	1.11
	1.23	**1.11**

	31 March 2022	31 March 2021
Loans considered good - secured	-	-
Loans considered good - unsecured	3.57	1.47
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	30.69	30.69
Total	**34.26**	**32.16**
Provision for doubtful loans	(30.69)	(30.69)
Total Loans	**3.57**	**1.47**

(i) Loans are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be effected by changes in the credit risk of the counter parties.

(ii) Represents amount of ₹2.34 (31 March 2021: ₹0.36) given to employee welfare trust of the Company's past and present employees pursuant to the terms and conditions of the Employee stock option scheme at an interest rate of Nil (31 March 2021: Nil) per annum.

(iii) Reconciliation of loss allowance

Particulars	Amount
Provision for loss allowance as on 01 April 2020	**30.69**
Changes in loss allowance	-
Provision for loss allowance as on 31 March 2021	**30.69**
Changes in loss allowance	-
Provision for loss allowance as on 31 March 2022	**30.69**

Type of Borrower	As at 31 March 2022		As at 31 March 2021	
	Amount of loan	% to the total Loans	Amount of loan	% to the total Loans
Promoter	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related Parties	33.03	96%	31.05	97%

7 Other financial assets

	As at 31 March 2022	As at 31 March 2021
Non-current		
(Unsecured, considered good)		
Security deposits	73.30	61.97
Fixed deposits maturing after 12 months from the balance sheet date	406.22	2.70
Interest accrued on fixed deposits	10.76	0.59
	490.28	**65.26**
Current		
Interest Accrued		
-On fixed deposits	9.08	34.92
Derivative instruments: (refer note (ii) below)		
-Foreign exchange forward contracts used for hedging	144.10	137.71
	153.18	**172.63**
Total other financial assets	**643.46**	**237.89**

(i) Information about the company's exposure to credit risk, foreign currency risk, interest rate risk and fair value measurement is included in note 28 and note 30.

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7 Other financial assets (continued)

(ii) Derivative instruments:

	As at	
	31 March 2022	31 March 2021
Total derivative instruments at fair value through profit and loss	(6.73)	(13.21)
Total derivative instruments at fair value through OCI	144.10	137.71

The Company is exposed to exchange rate risk which arises from its foreign exchange revenues and expenses, primarily in U.S. dollars, British pound sterling, and Euros, and foreign currency debt in U.S. dollars. The Company uses forward contracts and swap contracts (derivatives) to mitigate its risk of changes in foreign currency exchange rates.

In respect of the aforesaid foreign exchange derivative contracts, the Company has recorded, as part of foreign exchange gains and losses, a net gain of ₹ 6.39 and ₹ 444.96 for the years ended 31 March 2022 and 2021 respectively.

Hedges of highly probable forecasted transactions

Foreign exchange forward contracts that are designated as cash flow hedges and qualify for hedge accounting are fair valued at each reporting date and the resultant gain or loss is recognised in other comprehensive income under 'Cash flow hedge' in Equity to the extent considered highly effective and are reclassified into the statement of profit & loss upon occurrence of the hedged transactions. Gain or loss on derivative instruments that are either not designated as cash flow hedges or designated as cash flow hedges to the extent considered ineffective is recognised in the statement of profit and loss.

In respect of the aforesaid hedges of highly probable forecasted transactions, the Company has recorded, in reserves and surplus, a net gain of ₹ 4.78 and ₹ 332.97 for the years ended 31 March 2022 and 2021, respectively. The Company has also recorded, as part of revenue, a net gain/(loss) of ₹235.19 and ₹37.33 during the years ended 31 March 2022 and 2021 respectively.
The net carrying amount of the Company's "hedging reserve" was a gain/(loss) of ₹107.83 as at 31 March 2022, as compared to 103.05 as at 31 March 2021.

The table below summarises the periods when the forecasted cash flows associated with hedging instruments that are classified as cash flow hedges, are expected to occur:

Particulars	As at	
	31 March 2022	31 March 2021
Cash flows in U.S. Dollars (figures in equivalent rupee millions)		
Not later than one month	23.43	28.45
Later than one month and not later than three months	18.07	39.91
Later than three months and not later than six months	23.26	37.58
Later than six months and not later than one year	67.70	31.77
Later than one year	11.64	-
Total	**144.10**	**137.71**

8 Inventories

	As at	
	31 March 2022	31 March 2021
Valued at the lower of cost and net realisable value		
Raw materials, chemicals and consumables	346.79	309.06
Work-in-progress	451.73	258.45
Finished goods	81.97	8.21
Stores and spares	78.90	89.12
	959.39	**664.84**
The above includes stock in transit:		
Raw materials, chemicals and consumables	4.27	-
Finished goods	43.01	4.39
Stores and spares	0.08	-
	47.36	**4.39**

Note:
The write down of inventories to net realisable value during the year amounted to ₹ 58.30 (31 March 2021: ₹ 123.55). The write down are included in cost of materials consumed and changes in inventories of work-in-progress and finished goods.

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9 Trade receivables

	As at 31 March 2022	As at 31 March 2021
Unsecured considered good		
- related parties (refer note 36(c))	22.45	44.33
- other parties	2,013.98	1,888.67
	2,036.43	**1,933.00**
Unsecured considered doubtful		
- related parties (refer note 36(c))	14.48	14.08
- other parties	68.13	337.33
	82.61	**351.41**
Less: Allowance for expected credit loss	(82.61)	(351.41)
Total trade receivables	**2,036.43**	**1,933.00**

	31 March 2022	31 March 2021
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	2,036.43	1,933.00
Trade receivables which have significant credit risk	12.06	25.67
Trade receivables - credit impaired	70.55	325.74
Total	**2,119.04**	**2,284.41**
Provision for loss allowance	(82.61)	(351.41)
Total trade receivables	**2,036.43**	**1,933.00**

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

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

(iii) Reconciliation of loss allowance:

Particulars	Amount
Provision for loss allowance as on 01 April 2020	**333.64**
Provision for expected credit losses during the year	17.77
Provision for loss allowance as on 31 March 2021	**351.41**
Adjustment against bad debts written-off	(257.98)
Provision for expected credit losses/(reversals) during the year	(10.82)
Provision for loss allowance as on 31 March 2022	**82.61**

Trade Receivables ageing schedule as at 31 March 2022:

	Outstanding for following periods from due date of payment						
	Not Due	**Less than 6 months**	**6 months -1 year**	**1-2years**	**2-3years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good	1,436.06	531.23	-	-	-	-	1,967.29
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	2.00	2.56	7.50	-	12.06
(iii) Undisputed Trade Receivables – credit impaired		14.76	-	-	-	19.37	34.13
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	13.90	22.52	36.42
Unbilled Receivables	-	-	-	-	-	-	69.14
Impairment allowance (allowance for doubtful debts)	-	-	-	-	-	-	(82.61)
Total	**1,436.06**	**545.99**	**2.00**	**2.56**	**21.40**	**41.89**	**2,036.43**

Trade Receivables ageing schedule as at 31 March 2021:

	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1-2years	2-3years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1,467.43	425.98	1.16	-	-	-	1,894.57
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	13.11	12.56	-	25.67
(iii) Undisputed Trade Receivables – credit impaired	-	-	1.76	-	-	256.82	258.58
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	31.84	13.48	21.44	0.40	67.16
Unbilled Receivables	-	-	-	-	-	-	38.43
Impairment allowance (allowance for doubtful debts)	-	-	-	-	-	-	(351.41)
Total	**1,467.43**	**425.98**	**34.76**	**26.59**	**34.00**	**257.22**	**1,933.00**

10 Cash and bank balances

	As at 31 March 2022	As at 31 March 2021
A Cash and cash equivalents		
Balances with banks		
-In current accounts	765.41	298.96
-Fixed deposits (Maturity period less than 3 months)	1,305.84	360.00
Cash on hand	0.69	0.49
	2,071.94	659.45
B Bank balances other than (A) above		
Deposits with remaining maturity for less than 12 months	1,277.86	1,155.44
Margin money deposits with banks (refer note a)	6.70	10.65
	1,284.56	1,166.09

As at 31 March 2022, the Company had ₹6.70 (31 March 2021 : ₹10.65) margin money deposits which are subject to first charge to secure the Company's letter of credit and bank guarantee arrangements.

11 Other assets

	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Non-current		
Capital advances	12.71	31.51
Prepaid expenses	3.48	6.17
	16.19	37.68
Current		
Advance for expenses	61.34	45.55
Balances with government authorities*	598.55	590.57
Prepaid expenses	77.55	64.84
	737.44	700.96

*includes deposits paid under protest of ₹ 2.50 (31 March 2021: ₹ 2.50)

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

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12 Equity share capital

	31 March 2022		31 March 2021	
	Number	Amount	Number	Amount
Authorized (Equity shares of ₹10 each)				
Balance at the beginning of the year	11,50,00,000	1,150.00	11,50,00,000	1,150.00
On account of composite scheme of arrangement (refer note 42)	2,70,00,000	270.00	-	-
Balance at the end of the year	**14,20,00,000**	**1,420.00**	**11,50,00,000**	**1,150.00**
Issued, subscribed and fully paid-up				
Equity shares of ₹10 each	6,81,38,063	681.38	6,69,82,452	669.82
	6,81,38,063	**681.38**	**6,69,82,452**	**669.82**

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

	31 March 2022		31 March 2021	
	Number	Amount	Number	Amount
Balance at the beginning of the year	6,69,82,452	669.82	6,69,82,452	669.82
Issued during the year	11,55,611	11.56	-	-
Balance at the end of the year	**6,81,38,063**	**681.38**	**6,69,82,452**	**669.82**

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing general meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	31 March 2022		31 March 2021	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares of ₹10 each fully paid				
Gunupati Aparna Reddy (as a Trustee of Reddy Investment Trust)	2,20,56,824	32.37%	1,05,22,420	15.71%
Mr. Davinder Singh Brar	1,63,93,860	24.06%	1,05,22,420	15.71%
WSCPVIII (Singapore) Pte. Ltd.	1,11,41,008	16.35%	-	-
Madhubani Investments Private Limited	64,10,232	9.41%	-	-
Goldman Sachs Capital Holdings III Pte. Ltd	51,59,708	7.57%	-	-
WSCPVIII Emp (Singapore) Pte. Ltd.	46,99,518	6.90%	-	-
Destiny Investments Limited	-	-	1,12,35,160	16.77%
GVK Davix Technologies Private Limited (refer note 42)	-	-	3,39,00,000	50.61%

The Shareholding pattern of the Company changed pursuant to the composite scheme of arrangement during the year ended 31 March 2022. Refer note 42.

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.

(d) Shareholding of promoters/promoters group

Promoter name	As at 31 March 2022		As at 31 March 2021		
	No. of Shares	% of total shares	No. of Shares	% of total shares	% Change during the year
Mr. Davinder Singh Brar	1,63,93,860	24.06%	1,05,22,420	15.71%	8.35%
Gunupati Aparna Reddy (as a Trustee of Reddy Investment Trust)	2,20,56,824	32.37%	1,05,22,420	15.71%	16.66%
Gunupati Aparna Reddy (as a Trustee of Reddy Family Trust)	9,08,379	1.33%	-	0.00%	1.33%
Madhubani Investments Private Limited	64,10,232	9.41%	-	0.00%	9.41%
Mr. Anandbir Singh Brar	1,61,111	0.24%	-	0.00%	0.24%
GVK Davix Technologies Private Limited (refer note 42)	-	-	3,39,00,000	50.61%	-50.61%

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12 Equity Share capital (continued)

(e) Shares reserved for issue under employee stock option scheme (ESOP)

Pursuant to special resolution passed by the members of the Company during their meeting held on the 21 April 2006, the Board of Directors of the Company instituted an Employee Stock Option Plan 'ESOP-2007' with a pool of 450,000 stock options. The said stock options would be granted to the eligible employees, duly identified by the Compensation Committee of the Board of Directors, in various tranches. Each option comprises of one underlying equity share of ₹10 each. The options so granted are subject to progressive vesting over a period of four years from the date of grant on an annual basis in the proportion of 20%, 20%, 30% and 30%, respectively, and can be exercised within a period of 5 years from the date of vesting in the event of Company being listed or the same can be exercised within 5 years from the date of listing or such other early period and such number as determined by Board of Directors of the Company from time to time. Further, the board of directors vide resolution dated 16 March 2017, agreed to issue 3 bonus ESOP's for each ESOP held. Accordingly, adjustments have been made in respect of exercise price and number of ESOP's.

Pursuant to special resolution passed by the members of the Company during their meeting held on the 24 May 2017, the Board of Directors of the Company instituted an Employee Stock Option Plan 'ESOP-2017' with a pool of 2,000,000 stock options. The said stock options would be granted to the eligible employees, duly identified by the Compensation Committee of the Board of Directors, in various tranches. Each option comprises of one underlying equity share of ₹10 each issued directly by the company or transfer through the trust. The options so granted shall vest within not earlier than one (1) year and not more than four years, and can be exercised in the event of Company being listed or at such times and under other conditions as determined by Board of Directors of the Company set forth in the Grant Letter. The vesting period for the grants during the year are 20%, 25%, 25% and 30%.

The Company has accounted for employee deferred compensation expense using fair value method for options granted at a price lower than the market values.

Changes in number of shares representing stock options outstanding as at 31 March 2022 were as follows:

	31 March 2022			31 March 2021		
	Number of options	Weighted average exercise price ₹	Range of exercise price ₹	Number of options	Weighted average exercise price ₹	Range of exercise price ₹
Outstanding at beginning of the year	21,95,485	193.56	10 to 702	23,21,235	169.70	10 to 396
Granted during the year	1,37,720	429.55	702.00	1,30,000	702.00	702.00
Forfeited during the year	150	235.40	235.40	2,55,750	235.40	235.40
Exercised during the year	11,55,611	94.34	10 to 396	-	-	-
Outstanding at end of the year	11,77,444	318.53	10 to 702	21,95,485	193.56	10 to 702
Exercisable at the end of the year	8,33,826	155.77	10 to 702	16,88,427	128.08	10 to 396

Options outstanding at 31 March 2022 had an exercise price in the range of ₹10 to ₹702 (31 March 2021: ₹10 to ₹702), and a weighted average remaining contractual life of 0.58 years (31 March 2021: 0.38 years).

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

	As at	
	31 March 2022	31 March 2021
Risk free interest rate	5.46%	6.48%
Remaining contractual life	0.58	0.38
Expected life of share options (years)	0-4 years	0-4 years
Expected volatility (%)	19.94%	24.06%
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.

(f) During the 5 years ended 31 March 2022 (31 March 2021: Nil), the company has not bought back any shares

(g) During the 5 years ended 31 March 2022 (31 March 2021: Nil) no shares were allotted as fully paid up pursuant to contract without payment being received in cash.

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13 Other equity

	As at 31 March 2022	As at 31 March 2021
Securities premium		
Balance at the beginning of the year	185.81	185.81
Add: Received on exercise of ESOPs	205.52	-
Balance at the end of the year	**391.33**	**185.81**
Treasury shares		
Balance at the beginning of the year	(145.78)	(145.78)
Add: Shares disposed during the year	1.98	-
Balance at the end of the year	**(143.80)**	**(145.78)**
Capital reserve		
Balance at the beginning of the year	(234.17)	(415.82)
Add: On account of composite scheme of arrangement (refer note 42)	(227.85)	181.65
Balance at the end of the year	**(462.02)**	**(234.17)**
General reserve		
Balance at the beginning and end of the year	**211.05**	**204.81**
Add: On account of composite scheme of arrangement (refer note 42)	-	6.24
Balance at the end of the year	**211.05**	**211.05**
Retained earnings		
Balance at the beginning of the year	7,403.71	6,444.17
Add: On account of composite scheme of arrangement (refer note 42)	-	66.28
Add: Net profit for the year	2,109.78	1,476.21
Add: Other comprehensive income net of tax	5.62	(0.18)
Less: Trasfer to Debenture redemption reserve	(200.00)	-
Less: Dividends paid	-	(582.77)
Balance at the end of the year	**9,319.11**	**7,403.71**
Effective portion of cash flow hedge		
Balance at the beginning of the year	103.05	(229.92)
Add: Other comprehensive income net of tax	4.78	332.97
Balance at the end of the year	**107.83**	**103.05**
Share based payment reserve		
Balance at the beginning of the year	106.14	106.14
Add: Gross compensation for stock options granted during the year	69.85	-
Less: Transfer to share premium on account of exercise of options	(54.33)	-
Balance at the end of the year	**121.66**	**106.14**
Capital redemption reserve		
Balance at the beginning of the year	3.36	-
Add: On account of composite scheme of arrangement (refer note 42)	-	3.36
Balance at the end of the year	**3.36**	**3.36**
Debenture redemption reserve		
Balance at the beginning of the year	-	-
Add: Appropriations during the year	200.00	-
Balance at the end of the year	**200.00**	**-**
Total other equity	**9,748.52**	**7,633.17**

Nature and purpose of reserves

Securities premium

The amount received in excess of face value of the equity shares is recognised in securities premium. This reserve will be utilised in accordance with the provisions of the Companies act 2013.

Treasury shares

Represents equity shares of the Company held by the controlled trusts.

Capital reserve

Represents reserve created on merger of Aragen Life Sciences Private Limited (formerly known as GVK Biosciences Private Limited) and Inogent Laboratories Private Limited and on merger of GVK Davix Technologies Private Limited.

General reserve

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

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 of options, the balance is transferred to general reserve.

Effective portion of cash flow hedge

This reserve represents the cumulative effective portion of change in fair value of derivatives that are designated as cash flow hedges. It will be reclassified to Profit and Loss account in accordance with the company's accounting policy.

Capital redemption reserve

Represents the nominal value of shares bought back by GVK Davix Technologies Private Limited.

Debenture redemption reserve ("DRR")

The Company has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the company to create DRR out of profits of the company available for payment of dividend. DRR is required to be created for an amount which is equal to 10% of the value of debentures issued.

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Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)*
Notes to the revised standalone financial statements for the year ended 31 March 2022
(All amounts in ₹ million, except share data, unless otherwise stated)

13 Other equity (Continued)

(a) Distribution made and proposed

	As at	
	31 March 2022	**31 March 2021**
Interim Dividend on equity shares declared and paid:		
Interim dividend declared and paid to the shareholders of the Company	-	480.00
Interim dividend declared and paid to the shareholders of the GVK Davix Technologies Private Limited	-	102.77
Total	-	582.77
Proposed dividends on equity shares#:		
Proposed final equity dividend for the year ended 31 March 2022: ₹ 8.64 per share (31 March 2021: ₹ Nil per share)	588.71	-
	588.71	-

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31 March.

(b) Treasury Shares

	No. of shares	Amount
As at 01 April 2020	(8,02,452)	(145.78)
Add: Shares purchases during the year	-	-
As at 31 March 2021	(8,02,452)	(145.78)
Add: Shares disposed during the year	3,000	1.98
As at 31 March 2022	(7,99,452)	(143.80)

14 Borrowings

	As at	
	31 March 2022	**31 March 2021**
Non-current borrowings		
Secured term loans from Banks		
- Foreign currency (refer note (i))	1,286.22	430.84
- Indian rupee (refer note (i))	1,575.00	1,250.00
7.75% Non-convertible Redeemable Debentures	1,980.84	-
Less: Current maturities of long-term borrowings	(439.78)	(331.67)
	4,402.28	1,349.17
Current borrowings		
Secured loans from banks		
Foreign currency packing credit and buyers credit (refer Note (ii))	333.66	779.05
Current maturities of long-term borrowings	439.78	331.67
Unsecured loans from related parties (refer note (vi))	32.35	9.65
	805.79	1,120.37
Total Borrowings	5,208.07	2,469.54

Note (i)

a) Details of security of long term borrowings:

The above facilities are duly secured by:

Foreign currency term loans

(i) ECB Loan from CITI Bank of ₹282.70 (31 March 2021: ₹430.84) has exclusive charge on Property plant & equipment of the plant located at Plot No.94, Lemerthi (V), Ramky SEZ, Parawada, Vishakhapatnam.

(ii) Term loans of ₹ 502.66 (31 March 2021: ₹ Nil) from Kotak Mahindra Bank Limited are secured by exclusive charge on Property plant & equipment, movable CWIP excluding immovable property at Nacharam and Bangalore facility with minimum asset cover of 1.25x. The Company has entered into a currency swap agreement in USD and hence designated the loan as foreign currency term loan.

(iii) Term loans of ₹ 500.86 (31 March 2021: ₹ Nil) from Citi Bank are secured by a exclusive charge on Property plant & equipment of the plant located at Plot No.94, Lemerthi (V), Ramky SEZ, Parawada, Vishakhapatnam. The Company has entered into a currency swap agreement in USD and hence designated the loan as foreign currency term loan.

Indian rupee term loans

(i) Term loans of ₹400.00 (31 March 2021: ₹500.00) from Federal Bank Limited are secured by first charge on Property plant & equipment excluding immovable property at Mallapur unit with minimum asset cover of 1.25x.

(ii) Term loans of ₹675.00 (31 March 2021: ₹ 750.00) from Kotak Mahindra Bank Limited are secured by exclusive charge on Property plant & equipment excluding immovable property at Nacharam facility with minimum asset cover of 1.25x.

(iii) Term loans of ₹500.00 (31 March 2021: ₹ Nil) from Kotak Mahindra Bank Limited are secured by exclusive charge on Property plant & equipment, movable CWIP excluding immovable property at Nacharam and Bangalore facility with minimum asset cover of 1.25x.

7.75% Non-convertible Redeemable Debentures

7.75% Non-convertible debentures of ₹1,980.84 (31 March 2021: ₹ Nil) are issued on private placement by the Company during the year. Such debentures are secured by first charge on Property plant & equipment, movable CWIP including immovable property at Mallapur unit with minimum asset cover of 1.25x and are repayable at the end of 36 months form the date of allotment.

b) Terms of repayment of long-term borrowings:

	As at	
	31 March 2022	**31 March 2021**
Within 1 year	439.78	331.67
1 - 2 years	846.67	369.17
2 - 5 years	3,442.51	980.00
> 5 years	113.10	-
	4,842.06	1,680.84

c) The foreign currency loans carries an annual interest rate of 1.90% - 3.80% (31 March 2021: 4.00%) and is repayable in quarterly instalments as agreed. Indian Rupee loans carry an annual fixed rate of interest of 7.00% - 7.75% (31 March 2021: 6.5% - 9.0%) and is repayable in quarterly/half yearly/tri-annually instalments as agreed.

14 Borrowings (Continued)

Note (ii)

Foreign currency packing credit and buyers' credit are repayable over a period of three to six months and are secured against first charge on current assets including, receivables. These loans carry an annual interest rate in the range of 0.80% to 2.25% (31 March 2021: 1% to 4.87%) per annum.

Loan covenants

Bank loans contain certain debt covenants relating to limitation on indebtness, debt equity ratio, net borrowings to Earnings before interest, taxes, depreciation, amortization (EBITDA) ratio, interest service coverage ratio and debt service coverage ratio. The Company has satisfied all debt covenants prescribed in the terms of bank loan.

Note (iii)

Net Debt reconciliation

	Other assets	Liabilities from financing activities			
	Cash and cash equivalents	Non-current borrowings	Current borrowings	Interest accrued*	Total
Net debt as at 31 March 2020	**1,233.19**	**1,852.48**	**975.38**	**28.16**	**(1,622.83)**
Cash flows	(575.24)	(137.49)	(154.00)	-	(283.75)
On account of composite scheme of arrangement (refer note 42)	1.50	-	-	-	1.50
Foreign exchange adjustments	-	(34.15)	(32.68)	-	66.83
Interest expense	-	-	-	154.33	(154.33)
Interest paid	-	-	-	(151.49)	151.49
Net debt as at 31 March 2021	**659.45**	**1,680.84**	**788.70**	**31.00**	**(1,841.09)**
Cash flows	1,412.49	3,168.36	(419.29)	-	(1,336.58)
Foreign exchange adjustments	-	(7.14)	(3.40)	-	10.54
Interest expense	-	-	-	207.23	(207.23)
Interest paid	-	-	-	(179.46)	179.46
Net debt as at 31 March 2022	**2,071.94**	**4,842.06**	**366.01**	**58.77**	**(3,194.90)**

* Excludes Interest accrued on MSME dues ₹5.45 (31 March 2021: ₹5.70) and interest on lease liabilities ₹20.34 (31 March 2021: ₹16.65).

Note (iv) Sensitivity:

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates

	Change in Rate	Impact on profit after tax 31 March 2022	Impact on profit after tax 31 March 2021
Foreign currency loans			
	Increase by 1%	(12.12)	(9.05)
	Decrease by 1%	12.12	9.05
INR Loans			
	Increase by 1%	(11.79)	(9.35)
	Decrease by 1%	11.79	9.35

Note (v):

The Company had filed appropriate form for satisfaction of charges before Registrar of Companies, Hyderabad with respect to the charges amounting to ₹ 36.50 (31 March 2021: ₹ 36.50) created against the Company and there are no borrowing outstanding with respect to the same. The Company has been continuously pursuing with the authorities to reflect the same on their website.

Note (vi):

The loans from related parties amounts to ₹ 32.35 (31 March 2021: ₹ 9.65) carry an interest rate of 9% per annum and is repayable on demand.

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15 Provisions

	As at	
	31 March 2022	**31 March 2021**
Non-current		
Provision for employee benefits		
-Gratuity (refer note 23)	154.54	132.22
-Compensated absences	38.79	33.74
	193.33	**165.96**
Current		
Provision for employee benefits		
-Gratuity (refer note 23)	13.98	11.60
-Compensated absences	9.61	8.49
	23.59	**20.09**

16 Trade payables

	As at	
	31 March 2022	**31 March 2021**
Trade payables		
- related parties (refer note 36(c))	64.47	42.43
-Total outstanding dues of micro and small enterprises	128.62	86.16
-Total outstanding dues of creditors other than micro and small enterprises	1,062.44	984.17
	1,255.53	**1,112.76**

(a) Trade payables are non-interest bearing and are normally settled on 0-90 day terms.
(b) For terms and conditions with related parties, refer to note 36.
(c) Information about the companies exposure to foreign currency risks, liquidity risk and fair value measurement is included in note 30.

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

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2022 has been made in the revised financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

	As at	
	31 March 2022	**31 March 2021**
(i) The principal amount and interest due thereon remaining unpaid to supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprise	237.11	123.58
- Interest due on above	0.43	0.39
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	697.18	478.72
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year	5.45	5.70
(v) Interest remaining due and payable in succeeding years, in terms of Section 23 of the MSMED Act, 2006	30.52	25.07

Due to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the Auditors.

Trade payables ageing schedule as at 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due- Trade Payables	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	
(i) MSME	79.22	42.37	0.84	0.61	5.58	128.62
(ii) Others	340.83	363.56	4.58	3.97	3.24	716.18
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
(v) Accrued for expenses	-	-	-	-	-	410.73
	420.05	**405.93**	**5.42**	**4.58**	**8.82**	**1,255.53**

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Trade payables ageing schedule as at 31 March 2021

Particulars	Not Due- Trade Payables	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	67.70	12.76	2.15	2.73	0.82	86.16
(ii) Others	295.03	313.45	20.68	2.11	0.92	632.19
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
(v) Accrued for expenses	-	-	-	-	-	394.41
	362.73	**326.21**	**22.83**	**4.84**	**1.74**	**1,112.76**

17 Other financial liabilities

	As at 31 March 2022	As at 31 March 2021
(Unsecured, considered good)		
Current		
At amortised cost		
Creditors for capital expenditure (refer note b below)	320.69	173.91
Creditors for expenses (refer note a below)	4.53	48.20
Dues to employees	267.93	226.64
Refundable deposits	1.56	2.61
Liability towards Share Purchase agreement	507.00	-
Derivative instruments: (Refer note 7)		
-Other Foreign exchange forward contracts	6.73	13.21
Interest accrued but not due on borrowings	58.77	31.00
Dividend received on behalf of Shareholders (refer note c)	227.11	-
	1,394.32	**495.57**

(a) Information about company's exposure to liquidity and currency risk is included in note 30.
(b) Creditors for capital expenditure includes amount payable to MSME of Rs. 108.49 as at 31 March 2022 (31 March 2021: Rs. 37.42).

(c) The dividend was received by Parent Company during the year ended 31 March 2022 and has subsequently distributed such amount to the shareholders of Parent (refer note 42).

18 Other current liabilities

	As at 31 March 2022	As at 31 March 2021
Advances received from customers	517.58	268.78
Liability towards Corporate Social Responsibility (refer note 39)	20.63	-
Statutory liabilities	51.38	71.52
	589.59	**340.30**

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19 Revenue from operations

	For the year ended	
	31 March 2022	**31 March 2021**
Sale of goods:		
- Pharmaceutical Products Sales	3,760.68	2,763.20
	3,760.68	**2,763.20**
Revenue from services:		
- Contract research services	8,542.29	6,638.15
Other operating revenues	56.71	100.42
	12,359.68	**9,501.77**

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.

In relation to information about the Company's performance obligations in contracts with customers refer note 2(f). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is ₹56.58 (31 March 2021: ₹47.99) 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 products and services

	Timing of recognition (Over the period / Point in time)	For the year ended	
		31 March 2022	**31 March 2021**
Sale of goods	Point in time	3,760.68	2,763.20
Sale of services	Over the period	8,542.29	6,638.15
Total		**12,302.97**	**9,401.35**

(b) Contract balances:

	As at	
	31 March 2022	**31 March 2021**
Trade receivables	2,036.43	1,933.00
Contract liabilities - Customer advances	517.58	268.78

Disaggregated Revenue Information

	For the year ended	
	31 March 2022	**31 March 2021**
Revenues from Contract research and sale of goods by geography		
North America	6,640.28	4,946.30
Europe	2,941.09	2,506.72
India	798.05	516.20
Others	1,923.55	1,432.13
	12,302.97	**9,401.35**
Revenue from other sources		
Other operating revenues	56.71	100.42
Total Revenue from operations	**12,359.68**	**9,501.77**

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

Reconciliation of revenue with contract price

	For the year ended	
	31 March 2022	**31 March 2021**
Contract price	12,332.22	9,441.63
Less : Discounts	29.25	40.28
Revenue from operations	**12,302.97**	**9,401.35**

20 Other income

	For the year ended	
	31 March 2022	**31 March 2021**
Interest income on fixed deposits	58.32	79.28
Dividend Income	-	130.81
Liabilities no longer required written back	30.28	51.34
Gain on sale of fixed assets	-	4.11
Income from Investment	-	0.34
Foreign exchange fluctuations, net	35.83	-
Other non-operating income	44.57	66.01
Income from financial guarantee	2.45	2.45
Interest income on deposits and loans	2.33	11.41
	173.78	**345.75**

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21 Cost of materials consumed

	For the year ended	
	31 March 2022	**31 March 2021**
Inventory at the beginning of the year	284.67	287.87
Add: Purchases of raw materials	2,034.97	1,323.02
	2,319.64	**1,610.89**
Less: Inventory at the end of the year	329.41	284.67
	1,990.23	**1,326.22**

22 Changes in inventories of work-in-progress and finished goods

	For the year ended	
	31 March 2022	**31 March 2021**
Opening Stock		
Finished goods	8.18	24.67
Work-in-progress	262.74	318.94
Closing Stock		
Finished goods	81.97	8.18
Work-in-progress	442.76	262.74
	(253.81)	**72.69**

23 Employee benefits expense

	For the year ended	
	31 March 2022	**31 March 2021**
Salaries and wages	2,638.24	2,085.37
Employee stock compensation expenses	69.85	-
Contribution to provident and other funds (note a)	91.66	72.33
Gratuity and compensated absences (note b)	63.90	57.81
Staff welfare expenses	105.74	71.93
	2,969.39	**2,287.44**

a. Defined contribution plan

During year ended 31 March 2022, the Company has contributed ₹72.44 (31 March 2021: ₹59.80) to provident fund, ₹7.10 (31 March 2021: ₹4.11) towards employee state insurance fund and ₹12.12 (31 March 2021: ₹8.42) towards National Pension Scheme.

b. Defined benefit plan

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

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

Changes in present value of defined benefit obligation:

	As at	
	31 March 2022	**31 March 2021**
Defined benefit obligation at beginning of the year	151.17	128.71
Current service cost	31.63	26.56
Past service cost	-	-
Interest cost	10.02	8.32
Benefits paid	(16.04)	(12.73)
Actuarial losses on obligation	(7.69)	0.31
Defined benefit obligation at end of the year	**169.09**	**151.17**

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23 Employee benefits expense (continued)

The fair value of defined benefit plan assets are as follows:

	As at	
	31 March 2022	**31 March 2021**
Fair Value of Plan Assets at the beginning of the year	**7.35**	**6.83**
Add: Contributions during the year	-	-
Add: Interest Income on Plan assets	0.51	0.46
Add: Return on plan assets (excl. interest income)	(0.29)	0.06
Less: Benefit refund to be received by the company	(0.39)	-
Less: Benefits paid from the plan during the year	(6.61)	-
Fair Value of Plan Assets at the end of the year	**0.57**	**7.35**

Reconciliation of present value of obligation and fair value of plan assets

	As At	
	31 March 2022	**31 March 2021**
Present value of defined benefit obligation	169.09	151.17
Fair Value of Plan Assets at the End	(0.57)	(7.35)
Net liability recognised in the balance sheet	**168.52**	**143.82**
Current & Non-current bifurcation of net liability		
Current	13.98	11.60
Non-current	154.54	132.22
	168.52	**143.82**

The amounts recognized in the Statement of Profit and Loss and Other Comprehensive Income are as follows:

	For the year ended	
	31 March 2022	**31 March 2021**
In Statement of Profit and Loss under "Employee benefits expense"		
Current service cost	31.63	26.56
Past service cost	-	-
Interest cost	10.02	8.32
Return on plan assets	(0.51)	(0.46)
	41.14	**34.42**
In Statement of Other Comprehensive Income		
Actuarial (gain)/loss	(7.69)	0.31
Return on Plan Assets(excluding Interest Income)	0.29	(0.06)
	(7.40)	**0.25**
Total	**33.74**	**34.67**

The assumptions used in accounting for the gratuity plan are set out as below:

	As at	
	31 March 2022	**31 March 2021**
Discount rate	7.10%	6.89%
Retirement age	60 years	60 years
Salary escalation	6.00%	6.00%
Attrition rate	8.00%	8.00%
Mortality rate	IALM (2012-14) Ult.	IALM (2012-14) Ult.

The estimates of future salary increase considered in actuarial valuation take account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market. Further, the Company has invested a part of the accrued liability as of 31 March 2022. The Company evaluates these assumptions annually based on its long-term plans of growth and industry standards.

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23 Employee benefits expense (continued)

Discount rate:
The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Salary escalation rate:
The estimates of future salary increases considered taking into account the inflation, seniority, promotion and other relevant factors.

Plan assets:
The plan assets comprise of debt and equity securities through a scheme of cash contribution for a scheme of insurance taken with Kotak Mahindra Life Insurance Company Ltd. ('Insurer'), which is a qualified insurer. The details of individual category of investments that comprise of the total plan assets have not been provided by the insurer.

Impact on defined benefit obligation	**As at**	
	31 March 2022	**31 March 2021**
Assumptions		
Sensitivity level		
- Attrition rate : increase by 1 %	169.29	151.40
- Attrition rate : decrease by 1 %	(168.78)	(150.87)
- Salary escalation : increase by 1 %	182.13	164.71
- Salary escalation : decrease by 1 %	(157.38)	(139.12)
- Discount rate : increase by 1 %	(156.51)	(139.53)
- Discount rate : decrease by 1 %	183.52	164.61

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The weighted average duration of defined benefit obligation is 10.84 years (31 March 2021: 12.68 years)

Maturity profile of defined benefit obligation

	31 March 2022	**31 March 2021**
Within 1 year	13.98	11.60
2 - 5 years	63.19	54.18
6 - 10 years	75.61	65.06

The Company provides compensated absences benefits to the employees of the Company which can be carried forward to future years. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. During the period ended 31 March 2022, the Company has incurred an expense on compensated absences amounting to ₹22.77 (31 March 2021 ₹23.39). The Company determines the expense for compensated absences basis the actuarial valuation based on the Projected Unit Credit Method.

Code on Social Security, 2020:
The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

24 Finance costs

	For the year ended	
	31 March 2022	**31 March 2021**
Interest on borrowings	178.94	154.33
Interest expense on lease liabilities	20.34	16.65
Other borrowing cost*	28.29	-
	227.57	**170.98**

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

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25 Other expenses

	For the year ended	
	31 March 2022	**31 March 2021**
Direct expenses:		
Consumption of chemicals and spares	1,783.72	1,349.10
Subscription fees	95.87	90.03
Job work charges	62.58	89.92
Other direct expenses	78.65	44.52
Indirect expenses:		
Power and fuel	401.23	364.45
Rent	4.54	4.19
Repairs and maintenance		
- Buildings	31.35	20.11
- Machinery	168.42	145.47
- Others	59.24	56.77
Insurance	34.85	33.88
Bank charges	15.93	11.57
Rates and taxes	28.11	33.81
Water charges	28.26	20.95
Communication expenses	8.18	14.20
Office maintenance expenses	123.44	112.39
Travelling and conveyance	43.41	33.18
Consultancy and professional charges (refer note a)	171.07	86.44
Corporate social responsibility expenditure (refer note 39)	27.52	60.71
Printing and stationery	2.56	0.96
Freight outwards	41.34	67.00
Effluent treatment charges	63.48	39.77
Contract services	107.25	97.88
Property Plant and Equipment written-off	0.74	2.15
(Reversal)/provision for loss allowance (refer note 9)	(10.82)	17.77
Business development expenses	349.55	298.27
Loss on sale of assets	2.08	-
Foreign exchange fluctuations, net	-	21.83
Miscellaneous expenses	35.85	44.99
	3,758.40	**3,162.31**

(a) Payments to the auditor

	For the year ended	
	31 March 2022	**31 March 2021**
-As Auditor		
- statutory audit fee (including fees for undertaking limited reviews)	5.40	3.15
- certification	0.87	0.57
-For reimbursement of expenses	0.15	0.15
-For other matters	-	0.63
	6.42	**4.50**

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26 Income taxes

A. Tax expense in the statement of profit and loss

	For the year ended	
	31 March 2022	31 March 2021
Current tax	620.79	511.68
Current tax relating to prior years	(2.84)	-
Deferred tax expense / (benefit)	45.82	4.27
Tax expense reported in the statement of profit or loss	**663.77**	**515.95**

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

Tax expense charged to OCI

	For the year ended	
	31 March 2022	31 March 2021
Tax related to items in OCI during the year:		
Deferred tax impact due to remeasurements of Hedging Contracts	1.61	111.99
Current tax impact due to remeasurements of defined benefit plans	1.78	(0.07)
Tax expense reported in OCI	3.39	111.92

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

Reconciliation of effective tax rate

	For the year ended	
	31 March 2022	31 March 2021
Tax expense for the year	**663.77**	**515.95**
Profit before tax for the year ended as per statement of profit and loss	2,773.55	1,992.16
Tax at statutory income tax rate 25.17% (31 March 2021-25.17%)	698.05	501.39
Tax effects of amounts which are not deductible / (taxable) in calculating taxable income		
Non-deductible expenses for tax purposes	11.46	40.92
Tax incentive and other deductions	(14.78)	(32.92)
Others	(28.12)	6.56
Current tax relating to prior years	(2.84)	-
Tax expense for the year	**663.77**	**515.95**

B. Non-current tax assets, net

	As at	
	31 March 2022	31 March 2021
Advance tax, (net of provision for tax ₹1,786.67 (31 March 2021 ₹1,285.61) (refer note below)	232.02	197.77
	232.02	**197.77**

C. Current tax liabilities, net

	As at	
	31 March 2022	31 March 2021
Provision for tax, (net of advance tax ₹1,957.39 (31 March 2021 ₹1,679.13) (refer note below)	93.88	131.31
	93.88	**131.31**

Note:
Includes an amount paid under protest of ₹ 35.09 (31 March 2021: ₹ 35.09)

D. Deferred tax assets, net

	As at	
	31 March 2022	31 March 2021
The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities are as follows:		
Deferred income tax liabilities		
Property, plant and equipment	96.70	81.78
Derivative instruments	36.27	34.66
Leases	-	2.05
Others	3.53	0.70
	136.50	**119.19**
Deferred income tax assets		
Accrued compensation to employees	52.16	48.68
Impairment allowance on trade receivables	19.65	63.48
Statutory bonus	-	0.24
Others	20.28	13.28
Leases	3.47	-
	95.56	**125.68**
Total Deferred tax (liabilities)/assets, net	**(40.94)**	**6.49**

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

	As at	
	31 March 2022	**31 March 2021**
Balance at the beginning of the year	**6.49**	**98.26**
On account of composite scheme of arrangement (refer note 42)	-	24.49
Tax income/(expense) during the year recognised in profit or loss	(45.82)	(4.27)
Tax income/(expense) during the year recognised in OCI	(1.61)	(111.99)
Balance at the end of the year	**(40.94)**	**6.49**

27 Earnings per Equity share (EPES)

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

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

	For the year ended	
	31 March 2022	**31 March 2021**
Profit attributable to equity holders	2,109.78	1,476.21
Weighted average number of equity shares in calculating basic EPS*	6,71,50,371	6,61,80,000
Nominal value per equity share	₹ 10	₹ 10
Effect of dilution:		
- Stock options granted under ESOP	7,67,830	16,64,557
Weighted average number of equity shares used in computation of diluted EPS*	**6,79,18,201**	**6,78,44,557**

*The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year. There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of theses revised financial statements.

Earnings per Equity share (EPES)	**31 March 2022**	**31 March 2021**
Basic	31.42	22.31
Diluted	31.06	21.76

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28 Fair value measurements

(i) Breakup of financial assets and financial liabilities carried at amortized cost

	As at	
	31 March 2022	**31 March 2021**
Financial assets		
- Loans	3.57	1.47
- Other financial assets	499.36	100.18
- Trade receivables	2,036.43	1,933.00
- Cash and cash equivalents	2,071.94	659.45
- Bank balances other than cash and cash equivalents	1,284.56	1,166.09
Total	**5,895.86**	**3,860.19**
Financial liabilities		
- Non-Current Borrowings	4,402.28	1,349.17
- Lease Liability	235.90	205.11
- Current borrowings	805.79	1,120.37
- Trade payables	1,255.53	1,099.55
- Other financial liabilities	1,387.59	495.57
Total	**8,087.09**	**4,269.77**

(ii) Breakup of financial assets and financial liabilities carried at fair value through profit and loss

	As at	
	31 March 2022	**31 March 2021**
Financial Asset		
Investments (other than investment in subsidiaries)	1.83	1.83
Financial Liability		
Derivative Instruments (refer note 7)	(6.73)	(13.21)

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 bank balances that derive directly from its operations. The Company also holds FVTPL (Fair value through profit and loss) investments and investments in its subsidiaries.

(iii) Breakup of financial assets and financial liabilities carried at fair value through Other comprehensive income

	As at	
	31 March 2022	**31 March 2021**
Financial Asset		
Derivative Instruments (refer note 7)	144.10	137.71
Financial Liability		
Derivative Instruments (refer note 7)	-	-

The preparation of the Company's revised 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.

29 Significant accounting judgements, estimates and assumptions

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 standalone revised 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 judgement. 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.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation of uncertainty as 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: The Company based its assumptions and estimates on parameters available when the revised 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.

Taxes

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using internal valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements includes consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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29 Significant accounting judgements, estimates and assumptions (continued)

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 12.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets measured at amortised cost.

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

Impairment of non-financial assets

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

Revenue recognition

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

30 Financial risk management objectives and policies

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

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

(i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk for the Company comprises primarily of interest rate, foreign currency and interest risk. Financial instruments affected by market risk include trade and other receivables and derivatives. The sensitivity analysis in the following sections relate to the position as at 31 March 2022 and 31 March 2021. The sensitivity analysis has been prepared on the basis that the amount of trade and other receivables in foreign currencies and trade payables, borrowings and investments are all constant and on the basis of hedge designations in place at 31 March 2022.

The following assumptions have been made in calculating the sensitivity analysis:

(1) The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2022 and 31 March 2021.

(a) 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. The Company's investment in deposits with banks are for short durations and therefore do not expose the Company to significant interest rate risk. Further, the loans extended by the Company carries a fixed interest rate and therefore not subject to interest rate risk since neither the carrying value nor the future cash flows will fluctuate because of the change in market interest rates.

The Company's exposure to changes in interest rates relates primarily to the Company's outstanding floating rate debt. A major portion of foreign currency debt is linked to international interest rate benchmarks like SOFR. The Company also hedges a major portion of these risks by entering into derivative instruments like interest rate swaps and currency swaps and hence is not exposed to significant interest rate risk. Refer note 14(iv) for interest rate sensitivity analysis.

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(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 24 months period for hedges of forecasted sales and purchases.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

At 31 March 2022, the Company hedged 93% (31 March 2021: 58%), for 12 months, of its expected foreign currency sales. Those hedged sales were highly probable at the reporting date. This foreign currency risk is hedged by using foreign currency forward contracts.

The following are the outstanding forward exchange contracts entered into by the Company in foreign currency:

	As at	
	31 March 2022	**31 March 2021**
Currency forwards (Amount in Foreign currency)		
Foreign exchange forward contracts designated at FVTOCI (Cashflow hedge) (USD in Million)	178.70	79.50
Foreign exchange forward contracts designated at FVTOCI (Cashflow hedge) (₹ in Million) - at MTM	144.10	137.71
Foreign exchange forward contracts designated at FVTPL (Fair value hedge) (USD in Million)	1.80	-
Foreign exchange forward contracts designated at FVTPL (Fair value hedge) (₹ in Million) - at MTM	1.84	-
Foreign exchange forward contracts designated at FVTPL (Interest rate swaps) (USD in Million)	(16.98)	(5.81)
Foreign exchange forward contracts designated at FVTPL (Interest rate swaps) (₹ in Million) - at MTM	(8.57)	13.21

The currency wise exposure is disclosed in note 38 of the revised standalone financial statements.

Foreign currency sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in USD, GBP, Euro as mentioned below, with all other variables held constant. The impact on the Company's profit before tax (PBT) is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The Company's exposure to foreign currency changes for all other currencies is not material.

	For the year ended	
	31 March 2022	**31 March 2021**
Change in USD rate - 5% increase		
- Effect on PBT and equity	14.99	23.60
Change in USD rate - 5% decrease		
- Effect on PBT and equity	(14.99)	(23.60)
Change in GBP rate - 5% increase		
- Effect on PBT and equity	(0.00)	(0.84)
Change in GBP rate - 5% decrease		
- Effect on PBT and equity	0.00	0.84
Change in Euro rate - 5% increase		
- Effect on PBT and equity	(0.10)	0.76
Change in Euro rate - 5% decrease		
- Effect on PBT and equity	0.10	(0.76)

The movement in the pre-tax effect is a result of a change in the fair value of derivative financial instruments not designated in a hedge relationship and monetary assets and liabilities denominated in USD, GBP and Euro, where the functional currency of the entity is a currency other than those currencies. Although the derivatives have not been designated in a hedge relationship, they act as an economic hedge and will offset the underlying transactions when they occur.

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30 Financial risk management objectives and policies (Continued)

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The carrying amount of the Financial assets represents the maximum credit risk exposure.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The Company has a policy of providing for all aged receivables basis the Expected Credit Loss method and specific provision on a case to case basis. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and cash deposits

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

(iii) Liquidity risk

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

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

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

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.
The carrying value of the Company's financial liabilities are disclosed in note 3A and note 14, 16 and 17 of the revised standalone financial statements.

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

	As at	
	31 March 2022	**31 March 2021**
On demand		
- Financial guarantee	264.29	256.33
- Borrowings	32.35	9.65
Less than 1 year		
- Borrowings	773.44	1,110.72
- Other financial liabilities	1,394.32	495.57
- Trade payables	1,255.53	1,112.76
- Lease liabilities	95.27	65.16
1 to 2 years		
- Borrowings	846.67	369.17
- Lease liabilities	76.03	55.30
2 to 5 years		
- Borrowings	3,442.51	980.00
- Lease liabilities	66.21	92.78
> 5 years		
- Borrowings	113.10	-
- Lease liabilities	319.73	328.77

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Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Company to manage risk concentrations at both the relationship and industry levels.

Collateral

The Company has pledged part of its short-term deposits in order to fulfil the collateral requirements for the borrowings availed. At 31 March 2022, 31 March 2021 the fair values of the short-term deposits pledged were ₹6.70, ₹10.65 respectively. The counterparties have an obligation to return the securities to the Company. The Company has an obligation to repay the deposit to the counterparties upon settlement of the contracts. There are no other significant terms and conditions associated with the use of collateral.

31 Capital management

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

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

	As at	
	31 March 2022	**31 March 2021**
Borrowings (Note 14)	5,208.07	2,469.54
Trade payables (Note 16)	1,255.53	1,112.76
Other financial liabilities (Note 17)	1,394.32	495.57
Lease liabilities (Note 3A)	235.90	205.11
Less: Cash and bank balances (Note 10 and 7)*	(3,762.72)	(1,828.24)
Net debt	**4,331.10**	**2,454.74**
Total equity	10,429.90	8,302.99
Total equity	**10,429.90**	**8,302.99**
Gearing ratio	**42%**	**30%**

* Includes Fixed deposits maturing after 12 months from the balance sheet date.

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 material 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 2022 and 31 March 2021.

Hedging activities and derivatives

Derivatives not designated as hedging instruments

The Company uses foreign currency denominated borrowings and foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to twelve months.

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32 Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

		Fair value measurement using			
	Date of Valuation	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2022:					
Measured at fair value					
Derivative financial assets / (liabilities) (refer note 7 and note 17)	31 March 2022	-	137.37	-	137.37
Investments other than investment in subsidiaries (refer note 5)	31 March 2022	0.01	-	1.82	1.83
Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2021:					
Measured at fair value					
Derivative financial assets / (liabilities) (refer note 7 and note 17)	31 March 2021	-	124.50	-	124.50
Investments other than investment in subsidiaries (refer note 5)	31 March 2021	0.01	-	1.82	1.83

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33 Commitments

	As at	
	31 March 2022	**31 March 2021**
Estimated amount of contracts amounting to be executed on capital account and not provided for (net of advances)	1,115.79	1,427.00
Corporate guarantee extended to subsidiaries	37.76	36.63

34 Contingent liabilities

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

Claims against the Company not acknowledged as debts in respect of:

	As at	
	31 March 2022	**31 March 2021**
(a) Income tax matter under dispute	1,231.97	1,282.44
(b) Service tax matter under dispute	1.89	-
(c) Central Sales tax matter under dispute	1.45	1.85
(d) Customs matter under dispute	4.27	4.27

In addition to the above, the Company has below mentioned claims/contingent liabilities against the Company:

The Company has received a show cause notice challenging classification of R&D services as export of services for the period from 1 April 2006 to 30 Jun 2017 (tax liability computed by department is ₹2,409.70). The company has submitted its reply disputing department claim and based on merits of the claim and favourable judgements company has not made any provision in the books.

The Company has received a show cause notice, challenging certain compliance requirements under the GST law for the period from 1 July 2017 to 28 May 2018 (tax liability computed by department is ₹9.36). Company is in the process of compiling the reply disputing department claim and based on merits of the claim, the Company has not made any provision in the books.

The Company has an ongoing litigation of certain portion of land in Mallapur which the Company has bought from APIIC. The matter is stayed by the High Court until disposal of appeal at the lower court.

35 Segment reporting

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

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36 Related party disclosures

(a) Name of related parties and nature of relationship

Names of the related parties	Nature of relationship
Aragen Bioscience, Inc.	Wholly-owned Subsidiary Company
Aragen Lifesciences B.V. (formerly known as GVK Biosciences B.V.)	Wholly-owned Subsidiary Company
Aragen Foundation	Wholly-owned Subsidiary Company
Intox Private Limited	Subsidiary Company
Excelra Knowledge Solutions Private Limited (till 01.04.2021)	Subsidiary Company
GVK Davix Research Private Limited (till 01.04.2021)	Subsidiary Company
Mr. Davinder Singh Brar	Key management personnel (KMP)
Mr. G V Sanjay Reddy	KMP
Mr. Manmahesh Kantipudi	KMP
Mr. Sahajbir Singh Brar	Director
Mr. Gerhard Mayr	Director
Mr. Ajay Srivastava (w.e.f. 20.05.2021)	Director
Mr. Adam Richard Dawson (w.e.f. 31.05.2021)	Director
Mr. Rajat Sood (w.e.f. 19.05.2021)	Director
Mr. Robert Richard Ruffolo	Director
Mr. Keshav Gunupati Venkat Reddy	Director
Ms. G Indira Krishna Reddy	Director
Mr. Sachin Anand Dharap (w.e.f. 17.03.2021)	Chief Financial Officer
Mr. Paresh Gupta (till 13.10.2020)	Chief Financial Officer
Mr. Ramakrishna Kasturi	Company Secretary
GVK Biosciences, Inc. GVK Davix Research Private Limited (w.e.f. 02.04.2021) Madhubani Investments Private Limited Reddy Investment Trust ORBIT Travel and Tours Private Limited Taj GVK Hotels and Resorts Limited GVK Foundation Dimensions Corporate Finance Services Private Limited Srini Pharmaceuticals Private Limited GVK Bio-Sciences Private Limited Employees Welfare Trust	Enterprises owned or significantly influenced by individuals who have control / significant influence over the Company.

(b) Transactions with related parties

	For the year ended	
	31 March 2022	31 March 2021
Remuneration of KMPs:		
Mr. G V Sanjay Reddy	-	22.59
Mr. Davinder Singh Brar	-	22.59
Mr. Gerhard Mayr	4.53	2.26
Mr. Manmahesh Kantipudi	54.64	34.29
Mr. Sachin Anand Dharap	18.20	0.73
Mr. Paresh Gupta	-	8.10
Mr. Ramakrishna Kasturi	6.96	5.57
Perquisite value of ESOPs exercised during the year		
Mr. Manmahesh Kantipudi	382.72	-
Mr. Ramakrishna Kasturi	9.24	-
Mr. Gerhard Mayr	117.84	-
Directors sitting fee		
Mr. Sahajbir Singh Brar	0.26	0.17
Mr. G V Sanjay Reddy	0.25	0.19
Mr. Davinder Singh Brar	0.30	0.19
Ms. G Indira Krishna Reddy	0.40	0.13
Mr. Manmahesh Kantipudi	0.25	0.15
Mr. Ajay Srivastava	0.35	-
Mr. Gerhard Mayr	0.28	0.16
Mr. Keshav Gunupati Venkat Reddy	0.25	0.15
Mr. Robert Richard Ruffalo	0.34	0.16

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36 Related party disclosures (continued)
(b) Transactions with related parties (continued)

	For the year ended	
	31 March 2022	**31 March 2021**
Dividend		
Mr. Davinder Singh Brar	-	75.40
GVK Davix Technologies Private Limited	-	242.93
GVK Bio Employees Welfare Trust	-	5.75
Unsecured Loans taken during the year (refer note 42)		
Mr. Davinder Singh Brar	-	0.92
Madhubani Investments Private Limited	11.35	3.90
Reddy Investment Trust	11.35	4.83
Interest on Loans outstanding (refer note 42)		
Mr. Davinder Singh Brar	(0.08)	(0.02)
Madhubani Investments Private Limited	(0.36)	(0.10)
Reddy Investment Trust	(0.17)	(0.03)
Transactions with subsidiary - Aragen Bioscience, Inc.		
Interest income	-	9.54
Loan granted/repaid during the year	-	(296.66)
Investment in Shares	-	258.36
Business Development expenses	(229.18)	(176.26)
Pharmaceutical Products Sales	10.88	16.14
Contract research services	1.77	-
Reimbursement of expenses received	0.14	0.16
Management Services Provided	27.78	31.72
Reimbursement of expenses	(9.59)	-
Purchases	(3.20)	(1.31)
Transactions with subsidiary - Exceira Knowledge Solutions Private Limited		
Shared services provided	-	0.73
Transactions with subsidiary – Aragen Lifesciences B.V.		
Revenue from contract research services	80.58	110.50
Business development expenses	(80.96)	(54.75)
Transactions with subsidiary – GVK Biosciences, Inc.		
Business development expenses	-	(15.16)
Sale of services	-	1.06
Transactions with entity in which KMP have a significant influence – GVK Biosciences, Inc.		
Advance received during the year	(14.53)	-
Transactions with subsidiary – GVK Davix Research Private Limited		
Rental Income	-	0.02
Transactions with entity in which KMP have a significant influence – GVK Davix Research Private Limited		
Rental Income	0.03	-
Shared services provided	1.35	-
Reimbursement of Expenses relating to Sale of shares		
Mr. Davinder Singh Brar	2.13	-
Reddy Investment Trust	2.13	-
Transactions with entity in which KMP have a significant influence - Srini Pharmaceuticals Private Limited		
Job work Charges	(18.64)	(2.92)
Transactions with entity in which KMP have a significant influence - GVK Bio Sciences Private Limited Employees Welfare Trust		
Reimbursement of expenses	0.35	-
Reimbursement of expenses relating to Sale of shares	0.52	-
Transactions with entity in which KMP have a significant influence - Dimensions Corporate Finance Services Private Limited		
Consultancy services	(29.10)	-
Reimbursement exp	(0.29)	-
Transactions with entity in which KMP have a significant influence - Taj GVK Hotels and Resorts Limited		
Hotel expenses	(0.66)	(0.19)
Transactions with entity in which KMP have a significant influence - ORBIT Travel and Tours Private Limited		
Travelling and conveyance	-	(0.03)
Transactions with entity in which KMP have a significant influence - GVK Foundation		
Corporate social responsibility expenditure	(0.42)	-
Transactions with subsidiary – Aragen Foundation		
Investment in Equity Shares	0.10	-

* The managerial personnel are covered by the company's gratuity policy & are eligible

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36 Related party disclosures (continued)

(c) Balances receivable/(payable)

	As at	
	31 March 2022	**31 March 2021**
GVK Biosciences, Inc.	14.48	14.08
GVK Biosciences, Inc. (Advance received)	(14.53)	-
GVK Davix Research Private Limited	1.37	-
Excelra Knowledge Solutions Private Limited	-	0.73
Aragen Lifesciences B.V.	13.93	11.71
Aragen Lifesciences B.V.	(29.28)	(27.01)
Aragen Lifesciences B.V. (Loan net-off provision Rs. 30.69)	-	-
Aragen Bioscience, Inc.	7.15	31.88
Aragen Bioscience, Inc.	(25.92)	(14.88)
Srini Pharmaceuticals Private Limited	(2.56)	(0.52)
Taj GVK Hotels and Resorts Limited	(0.06)	(0.01)
Dimensions Corporate Finance Services Private Limited	(6.64)	-
Mr. Davinder Singh Brar	(0.97)	(23.51)
Mr. G V Sanjay Reddy	(0.05)	(22.59)
Mr. Manmahesh Kantipudi	(0.05)	-
Mr. Gerhard Mayr	(4.97)	(2.26)
Mr. Ajay Srivastava	(0.05)	-
Mr. Robert Richard Ruffalo	(1.20)	-
Mr. Sahajbir Singh Brar	(0.03)	-
Mr. G V Keshav Reddy	(0.05)	-
Ms. G Indira Krishna Reddy	(0.05)	-
GVK Bio Sciences Private Limited Employees Welfare Trust	3.06	0.36
Madhubani Investments Private Limited	(15.25)	(3.90)
Reddy Investment Trust	(16.18)	(4.83)
Outstanding corporate guarantees		
Aragen Bioscience, Inc. (US$3,500,000 (31 March 2021: US$3,500,000)) (Refer note 33)	264.29	256.33

Terms and conditions of transactions with related parties

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

(d) Directors' interests in the employee stock option plan

Share options held by the Board of Directors under the employee stock option plan to purchase Equity shares have the following expiry dates and exercise prices:

Grant date	Vesting date	Exercise price	31 March 2022	31 March 2021
			Number outstanding	
7 July 2007	6 July 2011	10.00	2,55,000	2,55,000
10 October 2009	10 October 2013	30.00	-	1,00,000
1 November 2011	31 October 2015	50.00	72,000	72,000
16 April 2012	16 April 2016	50.00	-	40,000
25 July 2012	24 July 2016	93.75	-	1,68,000
24 August 2013	23 August 2017	100.00	-	96,000
21 August 2014	20 August 2018	136.25	-	84,000
20 October 2015	19 October 2019	136.25	-	84,000
20 October 2015	19 October 2019	170.00	-	40,800
01 July 2016	30 June 2020	200.00	-	34,000
1 July 2017	30 June 2021	235.40	2,18,986	2,18,986
1 July 2021	30 June 2022	235.40	65,514	-
Total			**6,11,500**	**11,92,786**

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37 Details of expenditure incurred, Capital and Revenue, in Research and Development is as under:

(a) Capital expenditure

	For the year ended	
	31 March 2022	31 March 2021
Additions to laboratory equipment	-	-
	-	-

(b) Revenue expenditure (Included under appropriate heads in Statement of Profit and Loss)

	For the year ended	
	31 March 2022	31 March 2021
Cost of material consumed	25.76	52.47
Salaries and wages	12.28	14.87
Chemicals and spares	0.55	0.80
Contract services	-	-
	38.59	68.14

38 Unhedged foreign currency exposure

	As at	
	31 March 2022	31 March 2021
Receivables		
United States Dollar	2,242.90	2,048.36
Great Britain Pound	3.65	4.83
Euro	39.67	78.73
Canadian Dollar	-	4.35
Australian Dollar	-	0.13
Others	-	0.01
Payables		
United States Dollar	1,943.01	1,576.41
Great Britain Pound	3.74	21.71
Euro	41.64	63.47
Swiss Franc	1.29	9.89
Others	-	0.01

39 Corporate social responsibility expenditure (CSR)

The Company has formulated a Corporate Social Responsibility Committee to undertake the mandatory corporate social responsibility activities in accordance with the provisions of the Act. The details of the amounts spent during the current year are as follows:

	For the year ended	
	31 March 2022	31 March 2021
Expenditure on CSR activities:		
Balance unspent CSR amount at the beginning of the year	-	39.58
(a) Gross amount required to be spent by the Company during the year	27.02	20.58
(b) Amount approved by the Board to be spent during the year	27.02	20.58
(c) Amount spent by the Company during the year (in cash)		
(i) For Construction/acquisition of asset	0.50	-
(ii) For Contribution to Covid related measures*	3.05	60.00
(iii) Other than (i) & (ii) above	3.34	0.71
Balance unspent /(Excess) CSR amount in cash at the end of the year	**20.13**	**(0.55)**
(d) Reason for unspent amount at the end of year	On-going projects	NA
(e) Amount subsequently transferred to Unspent CSR designated bank account towards ongoing projects	20.63	-
(f) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	20.63	NA

* includes an amount of ₹0.42 (31 March 2021: ₹ Nil) contributed to a related party, GVK Foundation in relation to CSR expenditure.

Nature of CSR activities:

Promoting "Education and Literacy" to the under privileged children, supporting socially backward people and helping the differently abled people. Providing emergency medical care, preventive health care, sanitization and safe drinking water.
Ensuring environmental sustainability, ecological balance, protection of flora and fauna and conservation of natural resources.
Promoting gender equality and empowering women. Training to promote nationally recognized sports.

40 Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the domestic and international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by 30 November 2022, as required by law. The Management is of the opinion that its domestic and international transactions are at arm's length so that the aforesaid legislation will not have any impact on the revised financial statements, particularly on the amount of tax expenses and that of provision for taxation.

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41 Ratio Analysis

a) Current Ratio = Current Assets divided by Current Liabilities

	31 March 2022	31 March 2021
Current Assets	7,244.17	5,298.08
Current Liabilities	4,240.64	3,269.12
Ratio	**1.71**	**1.62**
% variance from previous year	**5.41%**	

Reason for variance more than 25%: Not applicable

b) Debt Equity ratio = Total debt divided by Total Equity where total debt refers to sum of current & non current borrowings

	31 March 2022	31 March 2021
Total debt	5,208.07	2,469.54
Total Equity	10,429.90	8,302.99
Ratio	**0.50**	**0.30**
% variance from previous year	**67.89%**	

Reason for variance more than 25%:

The Company had issued non-convertible debentures of during the current year which led to an increased debt as at 31 March 2022 which led to a higher Debt Equity ratio.

c) Debt Service Coverage Ratio = Earnings available for debt service divided by interest, lease payments and principal repayments of borrowings

	31 March 2022	31 March 2021
Net Profit after tax	2,109.78	1,476.21
Add: Non cash operating expenses and finance cost		
Depreciation and amortization expense	1,068.13	835.72
Finance cost	227.57	170.98
Earnings available for debt service	**3,405.48**	**2,482.91**
Interest payment	179.46	151.49
Lease payments	79.79	54.17
Principal repayments of borrowings	730.93	291.49
Total Interest and principal repayments	**990.18**	**497.15**
Ratio	**3.44**	**4.99**
% variance from previous year	**-31.14%**	

Reason for variance more than 25%:

The repayments for the borrowings taken by the Company during the previous years had commenced from CY and thus leading to a higher repayments and thereby a reduction in the coverage ratio.

d) Return on Equity Ratio / Return on Investment Ratio = Net profit after taxes divided by average total equity

	31 March 2022	31 March 2021
Net profit after taxes	2,109.78	1,476.21
Average Total Equity	9,366.45	7,561.11
Ratio	**0.23**	**0.20**
% variance from previous year	**15.37%**	

Reason for variance more than 25%: Not applicable

e) Inventory Turnover Ratio = Cost of goods sold divided by average inventory

	31 March 2022	31 March 2021
Cost of Goods Sold and Consumption of chemicals and spares	3,520.14	2,748.01
Average Inventory	812.12	693.07
Ratio	**4.33**	**3.97**
% variance from previous year	**9.32%**	

Reason for variance more than 25%: Not applicable

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f) Trade Receivables turnover ratio = Net Credit Sales divided by Average Trade Receivables

	31 March 2022	31 March 2021
Net Credit Sales	12,359.68	9,501.77
Average Trade Receivables	1,984.72	1,736.39
Ratio	**6.23**	**5.47**
% variance from previous year	**13.80%**	

Reason for variance more than 25%: Not applicable

g) Trade payables turnover ratio = Net Credit Purchases divided by Average Trade Payables

	31 March 2022	31 March 2021
Net Credit Purchases	3,779.21	2,616.05
Trade Payables excluding accrual for expenses	844.80	718.35
Ratio	**4.47**	**3.64**
% variance from previous year	**22.84%**	

Reason for variance more than 25%: Not applicable

h) Net capital Turnover Ratio = Net Sales divided by Working Capital where Working Capital= Current Assets - Current Liabilities

	31 March 2022	31 March 2021
Net sales	12,359.68	9,501.77
Working Capital	3,003.53	2,028.96
Ratio	**4.12**	**4.68**
% variance from previous year	**-12.13%**	

Reason for variance more than 25%: Not applicable

i) Net profit ratio = Net profit after taxes divided by Net Sales

	31 March 2022	31 March 2021
Net profit after taxes	2,109.78	1,476.21
Net Sales	12,359.68	9,501.77
Ratio	**0.17**	**0.16**
% variance from previous year	**9.87%**	

Reason for variance more than 25%: Not applicable

j) Return on Capital employed (pre cash)=Earnings Before Interest and Taxes (EBIT) divided by Capital Employed (pre cash)

	31 March 2022	31 March 2021
Profit before tax (A)	2,773.55	1,992.16
Finance Costs (B)	227.57	170.98
Other Income (C)	173.78	345.75
EBIT (D) = (A)+(B)-(C)	**2,827.34**	**1,817.39**
Capital Employed (Pre Cash) (J)=(E)-(F)-(G)-(H)-(I)	**11,867.91**	**8,148.97**
Total Assets (E)	19,465.05	13,243.63
Current Liabilities (F)	4,240.64	3,269.12
Current Investments (G)	-	-
Cash and Cash equivalents (H)	2,071.94	659.45
Bank balances other than cash and cash equivalents (I)	1,284.56	1,166.09
Ratio (D)/(J)	**0.24**	**0.22**
% variance from previous year	**6.82%**	

Reason for variance more than 25%: Not applicable

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42 Composite scheme of arrangement

The standalone financial statements were approved by the Board of Directors of the Company on 26th May 2022. Pursuant to the approval of the Composite Scheme of Arrangement by the National Company Law Tribunal ('NCLT'), Hyderabad Bench, vide Order dated 30 May 2022 ("Order"), Certified copy of which was received by the Company on 7th June 2022, the standalone financial statements of the Company have been revised and are approved for issue by the Board of Directors of the Company at their meeting held on 03 August 2022.

The revision to the standalone financial statements have been carried out solely to reflect the impact of the Scheme and no additional adjustments have been carried out for any other events occurring after 26 May 2022 (being the date when the standalone financial statements were first approved by the Board of Directors of the Company).

The Board of Directors of the Company at its meeting held on 27 January 2021 had approved the Composite Scheme of Arrangement ("Scheme") among the Company, GVK Davix Technology Private Limited (GVK DTPL or the Parent of the Company), Excelra Knowledge Solutions Private Limited (a subsidiary of the Parent of the Company), GVK Davix Research Private Limited (a subsidiary of the Parent of the Company) and their respective Shareholders with appointed date of 01 April 2021/ 02 April 2021. This Scheme provided for the merger of Excelra Knowledge Solutions Private Limited with Parent of the Company, demerger of the Informatics business (demerged business) of the Parent of the Company to the GVK Davix Research Private Limited, and merger of the Parent of the Company with the Company. Petition seeking approval of the Scheme was subsequently filed with Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench on 09 September 2021. The NCLT approved the Scheme vide its order dated 30 May 2022, certified copy of which received by the Company on 07 June 2022. upon filing of the certified copy of the order from NCLT, Hyderabad Bench sanctioning the Scheme, with Registrar of Companies, Hyderabad on 01 July 2022 the Scheme has become effective.

These Revised standalone financial statements for the year ended 31 March 2022 have been prepared giving efffect to the Scheme.

Pursuant to the Scheme, all the assets, liabilities, reserves and surplus of the Parent of the Company have been transferred to and vested in the Company with effect from the appointed date at their carrying values and the financial information in the revised standalone financial statements has been restated from 01 April 2020 as per requirements of Appendix C to Ind AS 103.

The details of the Parent and the merger of the Parent with the Company are as below:

Name of the transferor company	GVK Davix Technologies Private Limited
General nature of business:	Contract research and development services
Appointed Date of the Scheme	01 April 2021 and 02 April 2021
Amount of difference between the consideration and the value of net identifiable assets acquired, and the treatment thereof	Refer note (b) below

(b) The following table illustrates the assets and liabilities transferred to Aragen Life Sciences Private Limited from GVK DTPL pursuant to the composite scheme of arrangement:

Particulars	As at 31 March 2022	As at 1 March 2021
Assets transferred		
Non-current assets	53.40	258.59
Current assets	228.51	29.35
Total Assets transferred	**281.91**	**287.94**
Current liabilities	262.08	37.36
Total Liabilities transferred	**262.08**	**37.36**
Net Assets transferred	**19.83**	**250.58**
Transfer of retained earnings and other reserves as per Ind AS 103	66.04	68.93
Capital reserve in the books of Aragen Life Sciences Private Limited	**(46.21)**	**181.65**

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

The demerger has given effect from the retrospective appointed date specified in the Scheme i.e. 02 April 2021 which overrides the relevant requirement of accounting principles generally accepted in India (according to which the demerger would have been accounted for from 30 May 2022 which is the date when NCLT approved the scheme). The impact of the same on the standalone financial statements for the year ended 31 March 2022 and 31 March 2021 is as below:

Standalone Balance Sheet as at 31 March 2022

Particulars	As at 31 March 2022			As at 31 March 2021		
	As previously reported	Adjustments arising from the scheme	Revised Consolidated financial statements	As previously reported	Adjustments arising from the scheme	Revised Consolidated financial statements
Assets						
Non-current assets						
Property, plant and equipment	8,280.05	-	8,280.05	5,369.22	-	5,369.22
Capital work-in-progress	281.63	-	281.63	735.11	-	735.11
Other intangible assets	22.24	-	22.24	17.55	-	17.55
Right-of-use assets	376.00	-	376.00	351.66	-	351.66
Financial assets						
- Investments	2,520.13	-	2,520.13	936.60	227.85	1,164.45
- Loans	2.34	-	2.34	0.36	-	0.36
- Other financial assets	490.28	-	490.28	65.26	-	65.26
Deferred tax assets (net)	-	-	-	6.49	-	6.49
Non-current tax assets (net)	178.62	53.40	232.02	167.03	30.74	197.77
Other non-current assets	16.19	-	16.19	37.68	-	37.68
Total non-current assets	**12,167.48**	**53.40**	**12,220.88**	**7,686.96**	**258.59**	**7,945.55**
Current assets						
Inventories	959.39	-	959.39	664.84	-	664.84
Financial assets						
- Trade receivables	2,036.43	-	2,036.43	1,933.00	-	1,933.00
- Cash and cash equivalents	1,844.22	227.72	2,071.94	630.73	28.72	659.45
- Bank balances other than cash and cash equivalents	1,284.56	-	1,284.56	1,166.09	-	1,166.09
- Loans	1.23	-	1.23	1.11	-	1.11
- Other financial assets	153.18	-	153.18	172.63	-	172.63
Other current assets	736.63	0.81	737.44	700.33	0.63	700.96
Total current assets	**7,015.64**	**228.53**	**7,244.17**	**5,268.73**	**29.35**	**5,298.08**
Total assets	**19,183.12**	**281.93**	**19,465.05**	**12,955.69**	**287.94**	**13,243.63**
Equity and liabilities						
Equity						
Equity share capital	681.38	-	681.38	669.82	-	669.82
Other equity	9,728.67	19.85	9,748.52	7,382.59	250.58	7,633.17
Total Equity	**10,410.05**	**19.85**	**10,429.90**	**8,052.41**	**250.58**	**8,302.99**
Liabilities						
Non-current liabilities						
Financial liabilities						
- Borrowings	4,402.28	-	4,402.28	1,349.17	-	1,349.17
-Other financial liabilities						
- Lease liabilities	157.96	-	157.96	156.39	-	156.39
Provisions	193.33	-	193.33	165.96	-	165.96
Deferred tax liabilities (net)	40.94	-	40.94	-	-	-
Total non-current liabilities	**4,794.51**	**-**	**4,794.51**	**1,671.52**	**-**	**1,671.52**
Current liabilities						
Financial liabilities						
- Borrowings	773.44	32.35	805.79	1,110.72	9.65	1,120.37
- Lease liabilities	77.94	-	77.94	48.72	-	48.72
- Trade payables						
-Total outstanding dues of micro and small enterprises	128.62	-	128.62	86.16	-	86.16
-Total outstanding dues of creditors other than micro and small enterprises	1,125.58	1.33	1,126.91	1,025.13	1.47	1,026.60
- Other financial liabilities	1,166.19	228.13	1,394.32	495.34	0.23	495.57
Provisions	23.59	-	23.59	20.09	-	20.09
Current tax liabilities (net)	93.88	-	93.88	131.31	-	131.31
Other current liabilities	589.32	0.27	589.59	314.29	26.01	340.30
Total current liabilities	**3,978.56**	**262.08**	**4,240.64**	**3,231.76**	**37.36**	**3,269.12**
Total liabilities	**8,773.07**	**262.08**	**9,035.15**	**4,903.28**	**37.36**	**4,940.64**
Total equity and liabilities	**19,183.12**	**281.93**	**19,465.05**	**12,955.69**	**287.94**	**13,243.63**

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Standalone Statement of Profit and Loss for the year ended 31 March 2022

Particulars	For the year ended 31 March 2022			For the year ended 31 March 2021		
	As previously reported	Adjustments arising from the scheme	Revised Consolidated financial statements	As previously reported	Adjustments arising from the scheme	Revised Consolidated financial statements
Revenue from operations	12,359.68	-	12,359.68	9,501.77	-	9,501.77
Other income	173.78	-	173.78	215.19	130.56	345.75
Total income	**12,533.46**	**-**	**12,533.46**	**9,716.96**	**130.56**	**9,847.52**
Expenses						
Cost of materials consumed	1,990.23	-	1,990.23	1,326.22	-	1,326.22
Changes in inventories of work-in-progress and finished goods	(253.81)	-	(253.81)	72.69	-	72.69
Employee benefits expense	2,969.39	-	2,969.39	2,287.44	-	2,287.44
Finance costs	226.68	0.89	227.57	170.71	0.27	170.98
Depreciation and amortisation expenses	1,068.13	-	1,068.13	835.72	-	835.72
Other expenses	3,756.46	1.94	3,758.40	3,158.23	4.08	3,162.31
Total expenses	**9,757.08**	**2.83**	**9,759.91**	**7,851.01**	**4.35**	**7,855.36**
Profit before tax	**2,776.38**	**(2.83)**	**2,773.55**	**1,865.95**	**126.21**	**1,992.16**
Income-tax expense						
(a) Current tax	620.79	-	620.79	505.78	5.90	511.68
(b) Current tax relating to prior years	(2.89)	0.05	(2.84)	-	-	-
(c) Deferred tax expense / (benefit)	45.82	-	45.82	(20.22)	24.49	4.27
Total tax expense	**663.72**	**0.05**	**663.77**	**485.56**	**30.39**	**515.95**
Profit for the year	**2,112.66**	**(2.88)**	**2,109.78**	**1,380.39**	**95.82**	**1,476.21**
Other comprehensive income						
Items that will not be reclassified subsequently to profit or loss						
Remeasurement gain/(loss) on defined benefit plans	7.40	-	7.40	(0.25)	-	(0.25)
Income-tax effect on above	(1.78)	-	(1.78)	0.07	-	0.07
Items that will be reclassified subsequently to profit or loss						
Effective portion of cashflow hedge	6.39	-	6.39	444.96	-	444.96
Income-tax effect on above	(1.61)	-	(1.61)	(111.99)	-	(111.99)
Total other comprehensive income, net of tax	**10.40**	**-**	**10.40**	**332.79**	**-**	**332.79**
Total comprehensive income for the year	**2,123.06**	**(2.88)**	**2,120.18**	**1,713.18**	**95.82**	**1,809.00**

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Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)*
Notes to the revised standalone financial statements for the year ended 31 March 2022
(All amounts in ₹ million, except share data, unless otherwise stated)

Standalone Statement of cash flows for the year ended 31 March 2022

Particulars	For the year ended 31 March 2022			For the year ended 31 March 2021		
	As previously reported	Adjustments arising from the scheme	Revised Consolidated financial statements	As previously reported	Adjustments arising from the scheme	Revised Consolidated financial statements
Cash flow from operating activities						
Profit before tax	2,776.38	(2.83)	2,773.55	1,865.95	126.21	1,992.16
Adjustments for:						
Depreciation and amortisation expense	1,068.13	-	1,068.13	835.72	-	835.72
Dividend income	-	-	-	-	(130.81)	(130.81)
Interest income	(60.65)	-	(60.65)	(90.94)	-	(90.94)
Liabilities no longer required written back	(30.28)	-	(30.28)	(51.34)	-	(51.34)
Income from investments	-	-	-	(0.34)	-	(0.34)
Interest expense	226.68	0.89	227.57	170.71	0.52	171.23
Employee stock compensation expense	69.85	-	69.85	-	-	-
Unrealized foreign exchange fluctuation gain	(8.77)	-	(8.77)	(28.31)	-	(28.31)
Gain on sale of Property, plant & equipment	-	-	-	(4.11)	-	(4.11)
Provision for doubtful debts	(10.82)	-	(10.82)	17.77	-	17.77
Financial guarantee income	(2.45)	-	(2.45)	(2.45)	-	(2.45)
Property, plant and equipment written-off	0.74	-	0.74	2.15	-	2.15
Adjustments for working capital						
(Increase)/decrease in inventories	(294.55)	-	(294.55)	56.45	-	56.45
Increase in trade receivables	(105.75)	-	(105.75)	(324.53)	-	(324.53)
(Increase)/decrease in loans	(0.12)	-	(0.12)	2.57	-	2.57
Increase in other non-current financial assets	(11.33)	-	(11.33)	(2.85)	-	(2.85)
Increase in other current assets	(33.62)	(0.17)	(33.79)	(161.18)	(0.44)	(161.62)
Increase in trade payables	173.36	(0.14)	173.22	106.95	(3.06)	103.89
(Decrease)/increase in other current financial liabilities	(3.43)	227.11	223.68	22.21	-	22.21
Increase in provisions	38.27	-	38.27	27.30	-	27.30
Increase in other current liabilities	279.75	(25.75)	254.00	99.67	26.03	125.70
Cash generated from operations	**4,071.39**	**199.11**	**4,270.50**	**2,541.40**	**18.45**	**2,559.85**
Income-tax paid	(668.70)	(22.71)	(691.41)	(438.43)	(28.03)	(466.46)
Net cash flow generated from operating activities	**3,402.69**	**176.40**	**3,579.09**	**2,102.97**	**(9.58)**	**2,093.39**
Cash flows from investing activities						
Purchase of property, plant and equipment incl. CWIP and Capital advances	(3,299.42)	-	(3,299.42)	(1,330.92)	-	(1,330.92)
Dividend income received	-	-	-	-	130.81	130.81
Proceeds from sale of property, plant and equipment	-	-	-	4.20	-	4.20
Redemption of margin money deposits	3.95	-	3.95	-	-	-
(Investment in)/redemption of fixed deposits, net	(525.94)	-	(525.94)	(484.65)	-	(484.65)
Loans repaid by related parties	-	-	-	270.12	-	270.12
Income from investments	-	-	-	0.34	-	0.34
Payment towards acquisition of subsidiaries	(1,074.08)	-	(1,074.08)	(258.36)	(0.60)	(258.96)
(Investment in)/Redemption of mutual funds, net	-	-	-	10.10	-	10.10
Finance and interest income received	76.32	-	76.32	70.50	(0.25)	70.25
Net cash used in investing activities	**(4,819.17)**	**-**	**(4,819.17)**	**(1,718.67)**	**129.96**	**(1,588.71)**

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Particulars	For the year ended 31 March 2022			For the year ended 31 March 2021		
	As previously reported	Adjustments arising from the scheme	Revised Consolidated financial statements	As previously reported	Adjustments arising from the scheme	Revised Consolidated financial statements
Cash flow from financing activities						
Proceeds from issue of equity shares	162.75	-	162.75	-	-	-
Proceeds from long-term borrowings	3,480.00	-	3,480.00	-	-	-
Repayment of long-term borrowings	(311.64)	-	(311.64)	(137.49)	-	(137.49)
Repayment of lease liabilities	(79.79)	-	(79.79)	(54.17)	-	(54.17)
Payment of dividend	-	-	-	(480.00)	(102.77)	(582.77)
Repayment from short-term borrowings, net	(441.99)	22.70	(419.29)	(163.65)	9.65	(154.00)
Interest expense paid	(179.36)	(0.10)	(179.46)	(151.45)	(0.04)	(151.49)
Net cash flow generated/(used) in financing	**2,629.97**	**22.60**	**2,652.57**	**(986.76)**	**(93.16)**	**(1,079.92)**
Net increase/(decrease) in cash and cash equivalents	**1,213.49**	**199.00**	**1,412.49**	**(602.46)**	**27.22**	**(575.24)**
Cash and cash equivalents at the beginning of the year	659.45	-	659.45	1,233.19	1.50	1,234.69
Cash and cash equivalents at the end of the year	**1,872.94**	**199.00**	**2,071.94**	**630.73**	**28.72**	**659.45**

(c) The merger of GVK DTPL being a common control business combination under Ind AS 103 "Business Combination", comparatives were restated for amalgamation with effect from the beginning of the preceding year.

(d) The authorised share capital of the Company, stands increased, by clubbing the authorised share capital of the GVK DTPL which is ₹ 270.00 million divided into 27 million equity shares of ₹ 10 each.

(e) Pursuant to the composite scheme of arrangement, the Shares held by GVK DTPL stands cancelled and the same number of shares are allotted to the shareholders of GVK DTPL.

43 Impact of Covid 19 and assessment

The Company has considered internal and external sources of information up to the date of approval of the above financial results in evaluating the possible impact that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, intangible assets, receivables, investments and other financial assets. The Company has applied prudence in arriving at the estimates and assumptions and also performed sensitivity analysis on the assumptions used. The Company is confident about the recoverability of these assets. However, the impact of the global health pandemic may be different from that estimated as at the date of approval of the above financial results. Considering the continuing uncertainties, the Company will continue to closely monitor any material changes to future economic conditions.

44 Struck-off Companies:

The Company has not enetered into any transactions with the companies struck-off as per Section 248 or Section 560 of the companies act 2013.

45 Benami Property:

There are no proceeding initiated or pending against the Company as at 31 March 2022, under Benami Property Transactions Act, 1988 (as amended in 2016).

46 Wilful Defaulter:

The Company is not declared a wilful defaulter by any bank or financial Institution or other lender.

47 Undisclosed incomes:

The Company has recorded all transactions in the books of account that has been surrendered. There are no previously unrecorded incomes and related assets that were considered during the year, no unrecorded incomes were identified as income for tax assessments.

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48 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration No: 116231W/ W-100024

for and on behalf of the Board of Directors of
Aragen Life Sciences Private Limited
(formerly known as GVK Biosciences Private Limited)
CIN: U74999TG2000PTC035826

Arpan Jain
Partner
Membership No. 125710

Davinder Singh Brar
Chairman
DIN: 00068502

G V Sanjay Reddy
Vice Chairman
DIN: 00005282

K Ramakrishna
Company Secretary
M.No.: F3865

Sachin Dharap
Chief Financial Officer

Manmahesh Kantipudi
Director & Chief Executive Officer
DIN: 05241166

Place: Hyderabad
Date: 03 August 2022

Place: Hyderabad
Date: 03 August 2022

B S R & Associates LLP

Chartered Accountants

Salarpuria Knowledge City,
Orwell, B Wing, 6th Floor, Unit-3,
Sy No. 83/1, Plot No. 02, Raidurg,
Hyderabad – 500 081 - India

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Revised Independent Auditor's Report

To the Members of Aragen Life Sciences Private Company Limited

Report on the Audit of the Revised Consolidated Financial Statements

This Report supersedes our Report dated 27 May 2022

Opinion

We have audited the revised consolidated financial statements of Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)* (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the revised consolidated balance sheet as at 31 March 2022, and the revised consolidated statement of profit and loss (including other comprehensive income), revised consolidated statement of changes in equity and revised consolidated statement of cash flows for the year then ended, and notes to the revised consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the revised consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid revised consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

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 revised Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the revised consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the revised consolidated financial statements.

Emphasis of Matter

We draw attention to Note 1 and 47 of the revised consolidated financial statements which describes the basis of preparation and scheme of merger respectively. As explained in detail therein, these revised consolidated financial statements for the year ended 31 March 2022 have been prepared pursuant to the Composite Scheme of Arrangement ('the Scheme') from the specified retrospective appointed date (1 April 2021/ 2 April 2021), as approved by the National Company Law Tribunal (NCLT), Hyderabad Bench, vide order dated 30 May 2022 ("Order"). As per the requirements of Appendix C to Ind AS 103 "Business Combination", the merger of the Parent Company with the Company has been given effect to as if it had occurred from the beginning of the preceding period (i.e. 1 April 2020) in the revised consolidated financial statements.

We issued a separate auditor's report dated 27 May 2022 on these consolidated financial statements to the members of the Company. The Scheme, with an appointed date of 1 April 2021/2 April 2021, having been approved subsequently, the Company has now prepared revised consolidated financial statements incorporating the impact of the Scheme. In accordance with the provisions of Standard on Auditing 560 (Revised) 'Subsequent Events' issued by The Institute of Chartered Accountants of India, our audit procedures, in so far as they relate to the revision to the consolidated financial statements, have been carried out solely on this matter and no additional procedures have been carried out for any other events occurring after 27 May 2022 (being the date of our earlier audit report on the earlier consolidated financial statements). Our earlier audit report dated 27 May 2022 on the earlier consolidated financial statements is superseded by this revised report on the revised consolidated financial statements.

We further draw attention to the fact that in accordance with the scheme approved by NCLT, the Company has given effect to the demerger of the demerged business from the retrospective appointed date specified therein i.e. 2 April 2021 which overrides the relevant requirement of accounting principles generally accepted in India (according to which the demerger would have been accounted for from 30 May 2022 which is the date when NCLT approved the scheme). The financial impact of the aforesaid treatment has been disclosed in the aforesaid note.

Our opinion is not modified in respect of above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of other auditors on separate financial statements of components audited by them, were of most significance in our audit of the revised consolidated financial statements of the current period. These matters were addressed in the context of our audit of the revised consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revised Independent Auditors' Report on the Audit of the revised Consolidated Financial Statements of Aragen Life Sciences Private Limited for the year ended 31 March 2022 (continued)

Key Audit Matter (continued)

The key audit matter	How the matter was addressed in our audit
1) Revenue Recognition **Also refer to Note 21 of the revised consolidated financial statements** The Group's revenue is derived from contract research, development and manufacturing activities. We have identified recognition of revenue as a key audit matter because of the following: • Revenue is a key performance indicator for the Group. There could be pressure on Management to meet expectations of investors/ other stakeholders and / or to meet revenue targets stipulated in performance incentive schemes for the reporting period. • Accordingly, there is a risk of fraud related to revenue being overstated by recognition in the wrong accounting period or being recognized before revenue recognition criteria have been satisfied.	We performed the following audit procedures: • Evaluated the Group's revenue recognition accounting policies and compliance with applicable accounting standards. • Tested the design and implementation of key internal financial controls with respect to revenue recognition and testing operating effectiveness of such controls. • Performed substantive testing on a sample basis of revenue transactions recorded during the year by checking the underlying documents such as sales contracts, shipping documents and customer acceptance to test evidence for satisfaction of the criteria for recognition of revenue during the year. • Test checked significant manual journals posted to revenue to identify any unusual items and sought explanations from Management. • Test checked sales transactions near to year-end and post year-end as well as credit notes issued post year-end to determine whether the revenue recognition during the year is appropriate.

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Key Audit Matter (continued)

The key audit matter	How the matter was addressed in our audit
2) Impairment assessment of goodwill: **Also refer to Note 4 of the revised consolidated financial statements** As at 31 March 2022, the Group has goodwill of INR 1,618.13 million arose on acquisition of subsidiaries. Management performs the impairment assessment of goodwill under Ind AS 36 "Impairment of Assets" on an annual basis and whenever there is an indication of impairment. The carrying value of goodwill will be recovered through future cash flows and accordingly there is an inherent risk that these assets may be impaired if these cash flows do not meet the Group's expectations. Refer Note 2 (o) of the revised consolidated financial statements for details of accounting policies on impairment of goodwill and related disclosures. We identified impairment assessment of goodwill as a key audit matter considering the following: • The significance of the value of goodwill in the revised consolidated financial statements. • The inherent complexity in auditing the forward-looking assumptions applied to determine recoverable value given the significant Management judgements involved. The key assumptions in the cash flow models include the forecasted revenue, margins, terminal growth and discount rates.	We performed the following audit procedures: • Tested the design and implementation of key internal financial controls with respect to Group's assessment of impairment analysis. Tested the operating effectiveness of these controls. • Performed a retrospective comparison of prior period cash flow forecasts to actual performance. • Challenged the key assumptions used by the Management in its impairment assessment, specifically in relation to forecasted revenue, margins, terminal growth rate and discount rates with the assistance of our valuation specialists. • Performed a sensitivity analysis on the outcome of impairment assessment to changes in key assumptions. • Evaluated the adequacy of disclosures in the revised consolidated financial statements, including disclosures of key assumptions, judgements and sensitivities.

Revised Independent Auditors' Report on the Audit of the revised Consolidated Financial Statements of Aragen Life Sciences Private Limited for the year ended 31 March 2022 (continued)

Key Audit Matter (continued)

The key audit matter	How the matter was addressed in our audit
3) Valuation of work-in-progress **Also refer Note 9 of the revised consolidated financial statements** The carrying value of inventories as at 31 March 2022 is INR 987.48 million. This includes work in progress inventory of INR 451.73 million. We have identified valuation of work-in-progress as key audit matter because of the following: Valuation of work-in-progress is performed manually by Management which involves application of significant estimates and judgements. Refer Note 2(n) in the revised consolidated financial statements for details of accounting policies on valuation of work-in-progress.	We performed the following audit procedures: • Evaluated the Group's accounting policy to value work-in-progress and compliance with applicable accounting standards. • Tested the design and implementation of key internal financial controls with respect to valuation of inventory work in progress and tested operating effectiveness of such controls. • Verified the Group's process and methodology for apportionment of overheads and the basis of apportionment. • Tested the accuracy of valuation of work-in-progress by recomputing the cost for selected samples. • Verified that the Group has valued inventory work in progress at the lower of cost and net realizable value on a sample basis.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Director's report, but does not include the revised consolidated financial statements and our revised auditor's report thereon.

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

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

Management's and Board of Directors' Responsibilities for the revised Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these revised consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 revised consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the revised consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the revised Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the revised consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to revised consolidated financial statements in place and the operating effectiveness of such controls.

Auditor's Responsibilities for the Audit of the revised Consolidated Financial Statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of revised consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our revised auditor's report to the related disclosures in the revised consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our earlier auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the revised consolidated financial statements, including the disclosures, and whether the revised consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the revised consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the revised consolidated financial statements of which we are the independent auditors. For the other entities included in the revised consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (b) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the revised consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

(a) We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of INR 760.95 million as at 31 March 2022, total revenues (before consolidation adjustments) of INR 175.60 million and net cash flows (before consolidation adjustments) amounting to INR 0.83 million for the year ended on that date, as considered in the revised consolidated financial statements. These financial statements have been audited by other auditors whose reports has been furnished to us by the Management and our opinion on the revised consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

(b) We did not audit the consolidated financial statements of Parent Company and its two subsidiaries (now merged with effect from 01 April 2021 as per the NCLT order dated 30 May 2022 and as mentioned in Emphasis of Matter paragraph above) included in the revised consolidated financial statements of the Holding Company whose financial statements reflect total assets (before consolidation adjustments) of INR 2,805.18 million as at 31 March 2021 and the total revenue (before consolidation adjustments) of INR Nil million, total net profit after tax (before consolidation adjustments) of INR 878.79 million and net cash outflows (before consolidation adjustments) amounting to INR 275.18 million for the year ended on that date, as considered in the revised consolidated financial statements. The Parent Company and its two subsidiaries have been audited by the independent auditors whose report has been furnished to us by the Management and our opinion in so far as it relates to amounts and disclosures included in respect of the Parent Company and its two subsidiaries, is based solely on the report of such independent auditors, as adjusted for the accounting effects of the Scheme recorded by the Company (in particular, the accounting effects of Ind AS 103 'Business Combinations') and other consequential adjustments, which have been audited by us.

(c) The financial statements of two subsidiaries of the Holding Company (which include one trust), whose financial statements reflect total assets (before consolidation adjustments) of INR 71.79 million as at 31 March 2022, total revenues (before consolidation adjustments) of INR 166.90 million and net cash flows (before consolidation adjustments) amounting to INR 15.07 million for the year ended on that date, and one subsidiary of the Parent Company whose financial statements reflect total assets (before consolidation adjustments) of INR 75.53 million as at 31 March 2021, total revenues (before consolidation adjustments) of INR Nil million, total net loss after tax (before consolidation adjustments) of INR 6.4 million and net cash flows (before consolidation adjustments) amounting to INR 49.36 million as considered in the revised consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial statements have been furnished to us by the Management and our opinion on the revised consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the revised consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

Revised Independent Auditors' Report on the Audit of the revised Consolidated Financial Statements of Aragen Life Sciences Private Limited for the year ended 31 March 2022 (continued)

Report on Other Legal and Regulatory Requirements

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

2 (A) As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid revised consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid revised consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The revised consolidated balance sheet, the revised consolidated statement of profit and loss (including other comprehensive income), the revised consolidated statement of changes in equity and the revised consolidated statement of cash flows dealt with by this revised Report are in agreement with the relevant books of account maintained for the purpose of preparation of the revised consolidated financial statements.

d) In our opinion, the aforesaid revised consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to revised consolidated financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". The subsidiary companies incorporated in India has been exempted from the requirements of its Auditors reporting on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls (clause (i) of Section 143(3) of the Act).

B. With respect to the other matters to be included in the revised Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:

a) The revised consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group. Refer Note 41 to the revised consolidated financial statements.

b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.

Report on Other Legal and Regulatory Requirements (continued)

c) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2022.

d) (i) The management of the Holding Company has represented that, to the best of its knowledge and belief, as disclosed in the Note 53 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or its subsidiary companies incorporated in India ("Ultimate Beneficiaries"); or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management of the Holding Company has represented, that, to the best of its knowledge and belief, as disclosed in the Note 53 to the accounts, no funds have been received by the Holding Company or its subsidiary companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries"); or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) As stated in Note 14 to the revised consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the Members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

Revised Independent Auditors' Report on the Audit of the revised Consolidated Financial Statements of Aragen Life Sciences Private Limited for the year ended 31 March 2022 (continued)

Report on Other Legal and Regulatory Requirements (continued)

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

   The provisions of Section 197 of the Act are applicable only to a public company. Accordingly, the matter to be included in the revised Auditors' Report under Section 197(16) of the Act is not applicable to the Holding Company and its subsidiary companies incorporated in India.

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm's Registration No. 116231W/ W-100024

Arpan Jain

Arpan Jain
Partner
Membership No.: 125710
UDIN: 22125710AOEEUH8706

Place: Hyderabad
Date: 03 August 2022

B S R & Associates LLP

Annexure A to the revised Independent Auditors' report on the revised consolidated financial statements of Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)* for the year ended 31 March 2022

This Report supersedes our Report dated 27 May 2022

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

xxi. In our opinion and according to the information and explanations given to us, following company incorporated in India and included in the revised consolidated financial statements, has unfavourable/ qualified remark given by the auditor in their report under the Companies (Auditor's Report) Order 2020 (CARO):

Sr. No.	**Name of the entity**	**CIN**	**Holding Company/Subsidiary**	**Clause number of the CARO report which is unfavourable/ qualified**
1.	Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)*	U74999TG2000PTC035826	Holding Company	Clause (i)(c)

For B S R & Associates LLP
Chartered Accountants
ICAI Firm's Registration No. 116231W/ W-100024

Arpan Jain
Partner
Membership No.: 125710
UDIN:22125710AOEEUH8706

Place: Hyderabad
Date: 03 August 2022

Annexure B to the revised Independent Auditors' report on the revised consolidated financial statements of Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)* for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid revised consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

This Report supersedes our Report dated 27 May 2022

Opinion

In conjunction with our audit of the revised consolidated financial statements of the Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)* (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to revised consolidated financial statements of the Company, as of that date.

In our opinion, the Holding Company has, in all material respects, adequate internal financial controls with reference to revised consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to revised consolidated financial statements criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Emphasis of Matter

We draw attention to Note 1 and 47 of the revised consolidated financial statements which describes the basis of preparation and scheme of merger respectively. As explained in detail therein, these revised consolidated financial statements for the year ended 31 March 2022 have been prepared pursuant to the Composite Scheme of Arrangement ('the Scheme') from the specified retrospective appointed date (1 April 2021/ 2 April 2021), as approved by the National Company Law Tribunal (NCLT), Hyderabad Bench, vide order dated 30 May 2022 ("Order"). As per the requirements of Appendix C to Ind AS 103 "Business Combination", the merger of the Parent Company with the Company has been given effect to as if it had occurred from the beginning of the preceding period (i.e. 1 April 2020) in the revised consolidated financial statements.

We issued a separate auditor's report dated 27 May 2022 on these consolidated financial statements to the members of the Company. The Scheme, with an appointed date of 1 April 2021/2 April 2021, having been approved subsequently, the Company has now prepared revised consolidated financial statements incorporating the impact of the Scheme. In accordance with the provisions of Standard on Auditing 560 (Revised) 'Subsequent Events' issued by The Institute of Chartered Accountants of India, our audit procedures, in so far as they relate to the revision to the consolidated financial statements, have been carried out solely on this matter and no additional procedures have been carried out for any other events occurring after 27 May 2022 (being the date of our earlier audit report on the earlier consolidated financial statements). Our earlier audit report dated 27 May 2022 on the earlier consolidated financial statements is superseded by this revised report on the revised consolidated financial statements.

Annexure B to the revised Independent Auditors' report on the revised consolidated financial statements of Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)* for the year ended (continued)

Emphasis of Matter (continued)

We further draw attention to the fact that in accordance with the scheme approved by NCLT, the Company has given effect to the demerger of the demerged business from the retrospective appointed date specified therein i.e. 2 April 2021 which overrides the relevant requirement of accounting principles generally accepted in India (according to which the demerger would have been accounted for from 30 May 2022 which is the date when NCLT approved the scheme). The financial impact of the aforesaid treatment has been disclosed in the aforesaid note.

Our opinion is not modified in respect of above matters.

Management's Responsibility for Internal Financial Controls

The Holding Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to revised consolidated financial statements based on the criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to revised consolidated financial statements.

Annexure B to the revised Independent Auditors' report on the revised consolidated financial statements of Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)* for the year ended (continued)

Meaning of Internal Financial controls with Reference to revised Consolidated Financial Statements

A company's internal financial controls with reference to revised consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to revised consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to revised consolidated Financial Statements

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

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm's Registration No. 116231W/ W-100024

Arpan Jain
Partner
Membership No.: 125710
UDIN: 22125710AOEEUH8706

Place: Hyderabad
Date: 03 August 2022

Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)*
Revised Consolidated Balance Sheet as at 31 March 2022 (refer note 47)
(All amounts in ₹ million, except share data, unless otherwise stated)

	Notes	As at 31 March 2022	As at 31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	3	8,920.60	5,768.11
Capital work-in-progress	3	321.74	745.20
Goodwill	4	1,618.13	558.22
Intangible assets under development	5	-	63.72
Other Intangible assets	5	270.44	540.93
Right-of-use assets	3A	591.28	628.17
Financial assets			
- Investments	6	1.86	1.83
- Other financial assets	8	490.28	75.71
Deferred tax assets, net	28	-	66.42
Non-current tax assets, net	28	331.51	253.11
Other non-current assets	12	16.27	50.16
		12,562.11	**8,751.58**
Current assets			
Inventories	9	987.48	670.94
Financial assets			
- Trade receivables	10	2,431.51	2,547.92
- Cash and cash equivalents	11	2,281.29	1,295.93
- Bank balances other than cash and cash equivalents	11	1,408.48	1,784.68
- Loans	7	1.24	2.44
- Other financial assets	8	156.88	198.85
Other current assets	12	784.97	757.94
		8,051.85	**7,258.70**
Total assets		**20,613.96**	**16,010.28**
Equity and liabilities			
Equity			
Equity share capital	13	681.38	669.82
Other equity	14	9,640.54	8,414.32
Equity attributable to the owners of the Company		**10,321.92**	**9,084.14**
Non-controlling interest	15	513.07	791.74
Total equity		**10,834.99**	**9,875.88**
Liabilities			
Non-current liabilities			
Financial liabilities			
-Borrowings	16	4,402.28	1,349.17
-Other financial liabilities	19	4.00	-
-Lease Liabilities	3A	342.38	388.84
Provisions	17	275.46	246.86
Deferred tax liabilities, net	28	83.69	-
		5,107.81	**1,984.87**
Current liabilities			
Financial liabilities			
-Borrowings	16	805.79	1,321.28
-Lease Liabilities	3A	123.93	105.31
-Trade payables	18		
-Total outstanding dues of micro and small enterprises		129.22	86.16
-Total outstanding dues of creditors other than micro and small enterprises		1,133.95	1,054.74
-Other financial liabilities	19	1,536.95	842.65
Current tax liabilities, net	28	157.06	147.46
Provisions	17	34.97	33.11
Other current liabilities	20	749.29	558.82
		4,671.16	**4,149.53**
Total liabilities		**9,778.97**	**6,134.40**
Total equity and liabilities		**20,613.96**	**16,010.28**
Group background and significant accounting policies	1 & 2		

The notes referred to above form an integral part of these revised consolidated financial statements.
As per our report on revised consolidated financial statements of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration No: 116231W/ W-100024

Arpan Jain

Arpan Jain
Partner
Membership No. 125710

Place: Hyderabad
Date: 03 August 2022

for and on behalf of the Board of Directors of
Aragen Life Sciences Private Limited
(formerly known as GVK Biosciences Private Limited)
CIN: U74999TG2000PTC035826

Davinder Singh Brar
Chairman
DIN: 00068502

G V Sanjay Reddy
Vice Chairman
DIN: 00005282

K Ramakrishna
Company Secretary
M.No.: F3865

Sachin Anand Dharap
Chief Financial Officer

Manmahesh Kantipudi
Director & Chief Executive Officer
DIN: 05241166

Place: Hyderabad
Date: 03 August 2022

Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)*
Revised Consolidated Statement of Profit and Loss for the year ended 31 March 2022 (refer note 47)
(All amounts in ₹ million, except share data, unless otherwise stated)

	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
Continuing Operations			
Revenue from operations	21	13,873.61	11,332.79
Other income	22	147.59	183.65
Total income		**14,021.20**	**11,516.44**
Expenses			
Cost of materials consumed	23	1,990.23	1,326.22
Changes in inventories of work-in-progress and finished goods	24	(253.81)	72.69
Employee benefits expense	25	4,111.65	3,294.65
Finance costs	26	235.07	181.36
Depreciation and amortisation expense	3, 3A & 5	1,288.98	1,004.89
Other expenses	27	3,975.42	3,467.61
Total expenses		**11,347.54**	**9,347.42**
Profit from continuing operations before tax		**2,673.66**	**2,169.02**
Tax expenses			
(a) Current tax	28	640.40	520.44
(b) Current tax relating to prior years	28	20.81	1.54
(c) Deferred tax expense / (benefit)	28	37.82	4.27
Income tax expense		**699.03**	**526.25**
Profit from continuing operations after tax		**1,974.63**	**1,642.77**
Discontinued operations			
Profit before tax from discontinued operations	48	-	639.28
Tax expense of discontinued operations	28	-	104.57
Profit from discontinued operations after tax		**-**	**534.71**
Other comprehensive income ("OCI")			
Items that will be reclassified to profit or loss			
Effective portion of cashflow hedge		6.39	452.53
Exchange differences on translating the financial statements of foreign operations		(16.89)	(7.21)
Income-tax effect on above	28	(1.61)	(114.19)
		(12.11)	**331.13**
Items that will not be reclassified to profit or loss			
Remeasurement losses on defined benefit plan		8.21	(7.86)
Income-tax effect on above	28	(1.98)	2.29
		6.23	**(5.57)**
Total other comprehensive income, net of tax		**(5.88)**	**325.56**
Total comprehensive income for the year		**1,968.75**	**2,503.04**
Profit for the year attributable to:			
Equity holders of the Holding Company		1,960.70	1,964.59
Non controlling interest		13.93	212.89
Total comprehensive income for the year attributable to:			
Equity holders of the Holding Company		1,954.68	2,290.15
Non controlling interest		14.07	212.89
Earnings per share for continuing operations (EPS)	29		
(a) Basic		29.20	24.82
(b) Diluted		28.87	24.21
Earnings per share for discontinued operations	29		
(a) Basic		-	4.86
(b) Diluted		-	4.74
Earnings per share for continuing and discontinued operations	29		
(a) Basic		29.20	29.68
(b) Diluted		28.87	28.95
Group background and significant accounting policies	1&2		

The notes referred to above form an integral part of these revised consolidated financial statements.
As per our report on revised consolidated financial statements of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration No: 116231W/ W-100024

Arpan Jain
Partner
Membership No. 125710

Place: Hyderabad
Date: 03 August 2022

for and on behalf of the Board of Directors of
Aragen Life Sciences Private Limited
(formerly known as GVK Biosciences Private Limited)
CIN: U74999TG2000PTC035826

Davinder Singh Brar
Chairman
DIN: 00068502

G V Sanjay Reddy
Vice Chairman
DIN: 00005282

K Ramakrishna
Company Secretary
M.No.: F3865

Sachin Anand Dharap
Chief Financial Officer

Manmahesh Kantipudi
Director & Chief Executive Officer
DIN: 05241166

Place: Hyderabad
Date: 03 August 2022

Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)*
Revised Consolidated Statement of Changes in Equity for the year ended 31 March 2022 (refer note 47)
(All amounts in ₹ million, expect share data, unless otherwise stated)

(a) Equity share capital

	Number	Amount
Equity shares of ₹10 each issued, subscribed and fully paid		
As at 1 April 2020	**6,69,82,452**	**669.82**
Issued during the year	-	-
As at 31 March 2021	**6,69,82,452**	**669.82**
Issued during the year	11,55,611	11.56
As at 31 March 2022	**6,81,38,063**	**681.38**

(b) Other equity

Particulars	Reserves and surplus									Items of OCI		Other equity attributable to owners of parents	Non-controlling Interest	Total other equity
	Securities premium	Retained earnings	General reserve	Capital reserve	Share based payment reserve	Debenture redemption reserve	Capital redemption reserve	Gross obligation to non-controlling interest under put options	Treasury shares	Effective portion of cashflow hedge	Foreign currency translation reserve			
Balance as of 1 April 2020	185.81	6,319.82	204.81	(547.11)	119.65	-	-	-	(148.85)	(229.92)	17.79	5,922.00	-	5,922.00
On account of composite scheme of arrangement (refer note 47)	-	-	6.24	653.92	-	-	3.36	-	-	-	-	663.52	366.32	1,029.84
Balance as at 1 April 2020 (Restated)	**185.81**	**6,319.82**	**211.05**	**106.81**	**119.65**	**-**	**3.36**	**-**	**(148.85)**	**(229.92)**	**17.79**	**6,585.52**	**366.32**	**6,951.84**
Profit for the year	-	2,177.48	-	-	-	-	-	-	-	-	-	2,177.48	212.89	2,390.37
Other comprehensive income	-	(5.57)	-	-	-	-	-	-	-	338.34	(7.21)	325.56	-	325.56
Employee stock compensation cost	-	-	-	-	6.25	-	-	-	-	-	-	6.25	-	6.25
On account of Business Combination	-	-	-	-	-	-	-	-	-	-	-	-	212.53	212.53
Utilised on account of buyback of stock options	-	(13.99)	-	-	(4.29)	-	-	-	-	-	-	(18.28)	-	(18.28)
Dividends	-	(662.21)	-	-	-	-	-	-	-	-	-	(662.21)	-	(662.21)
Balance as of 1 April 2021	**185.81**	**7,815.53**	**211.05**	**106.81**	**121.61**	**-**	**3.36**	**-**	**(148.85)**	**108.42**	**10.58**	**8,414.32**	**791.74**	**9,206.06**
Non-controlling interest arising on the acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	499.00	499.00
Profit for the year	-	1,960.70	-	-	-	-	-	-	-	-	-	1,960.70	13.93	1,974.63
Other comprehensive income	-	6.09	-	-	-	-	-	-	-	4.78	(16.89)	(6.02)	0.14	(5.88)
Transfer to Debenture redemption reserve	-	(200.00)	-	-	-	200.00	-	-	-	-	-	-	-	-
Issue of share capital	205.52	-	-	-	-	-	-	-	-	-	-	205.52	-	205.52
Employee stock compensation cost	-	-	-	-	75.93	-	-	-	-	-	-	75.93	-	75.93
Utilised on account of exercise of stock options	-	-	-	-	(54.33)	-	-	-	1.98	-	-	(52.35)	-	(52.35)
On account of composite scheme of arrangement (refer note 47)	-	-	-	(946.10)	-	-	-	-	-	(5.37)	(2.09)	(953.56)	(791.74)	(1,745.30)
Recognition of put option liability during the year	-	-	-	-	-	-	-	(4.00)	-	-	-	(4.00)	-	(4.00)
Balance as of 31 March 2022	**391.33**	**9,582.32**	**211.05**	**(839.29)**	**143.21**	**200.00**	**3.36**	**(4.00)**	**(146.87)**	**107.83**	**(8.40)**	**9,640.54**	**513.07**	**10,153.61**

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

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration No: 116231W/ W-100024

Arpan Jain
Partner
Membership No. 125710

Place: Hyderabad
Date: 03 August 2022

for and on behalf of the Board of Directors of
Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)*
CIN: U74999TG2000PTC035826

Davinder Singh Brar
Chairman
DIN: 00068502

G V Sanjay Reddy
Vice Chairman
DIN: 00005282

K Ramakrishna
Company Secretary
M.No.: F3865

Sachin Anand Dharap
Chief Financial Officer

Manmahesh Kantipudi
Director & Chief Executive Officer
DIN: 05241166

Place: Hyderabad
Date: 03 August 2022

Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)*
Revised Consolidated Statement of Cash Flows for the year ended 31 March 2022 (refer note 47)
(All amounts in ₹ million, except share data, unless otherwise stated)

	For the year ended	
	31 March 2022	**31 March 2021**
Cash flow from operating activities		
Profit before tax	**2,673.66**	**2,808.30**
Adjustments for:		
- Depreciation and amortisation expense	1,288.98	1,052.57
- Property, plant and equipment written-off	0.71	2.15
- Foreign exchange difference		
- Loss/(income) from investments	0.64	(0.34)
- Finance and interest income	(61.80)	(131.96)
- Liabilities no longer required written-back	(30.28)	(52.44)
- Gain on sale of property, plant and equipment	-	(4.11)
- Interest expense	235.07	185.97
- Employee stock compensation expense	75.93	18.84
- (Reversal)/provision for doubtful debts, net	(22.42)	38.61
- Unrealised foreign exchange fluctuation gain	(6.70)	(47.39)
Adjustments for working capital changes:		
(Increase)/decrease in inventories	(315.98)	59.76
Increase in trade receivables	(88.48)	(291.75)
(Increase)/decrease in short term loans given	(0.10)	67.24
Increase in other financial assets	(11.33)	(58.12)
Increase in other current assets	(64.99)	(169.18)
Increase in trade payables	179.86	144.39
(Decrease)/increase in other current financial liabilities	196.81	100.22
Increase in provisions	45.58	56.38
Increase in other current liabilities	270.49	190.13
Cash generated from operations	**4,365.65**	**3,969.27**
Income-tax paid	(791.09)	(586.31)
Net cash generated from operating activities	**3,574.56**	**3,382.96**
Cash flow used in investing activities		
Purchase of property, plant and equipment incl. CWIP and Capital advances	(3,518.49)	(1,551.82)
Proceeds from sale of property, plant and equipment	-	4.20
(Investment in)/Redemption of fixed deposits, net	(534.06)	(523.24)
Income from investments	107.01	0.34
Payment towards acquisition of subsidiaries	(1,074.08)	(273.13)
Redemption of mutual funds, net	-	10.10
Finance and interest income received	77.17	132.02
Net cash used in investing activities	**(4,942.45)**	**(2,201.53)**

Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)*
Revised Consolidated Statement of Cash Flows for the year ended 31 March 2022 (refer note 47)
(All amounts in ₹ million, except share data, unless otherwise stated)

	For the year ended	
	31 March 2022	**31 March 2021**
Cash flow from financing activities		
Proceeds from issue of equity shares	162.75	-
Payment of dividends	-	(662.21)
Proceeds from long-term borrowings	3,480.00	-
Repayment of long-term borrowings	(311.64)	(137.49)
Proceeds from/ (repayment) of short-term borrowings, net	(419.29)	(100.90)
Repayment of lease liabilities	(134.12)	(139.67)
Employee stock options bought back	-	(18.33)
Interest expense paid	(178.99)	(167.19)
Net cash generated/(used) in financing activities	**2,598.71**	**(1,225.79)**
Net increase in cash and cash equivalents	1,230.82	(44.36)
Cash and cash equivalents at the beginning of the year	1,295.93	1,269.08
Cash and cash equivalents as on acquisition date of a subsidiary	118.65	-
Cash and cash equivalents received on account of composite scheme of arrangement	(368.02)	67.73
Effect of exchange differences on cash and cash equivalents held in foreign currency	3.91	3.48
Cash and cash equivalents at the end of the year	**2,281.29**	**1,295.93**
Cash and cash equivalents comprise (Refer note 11)		
Balances with banks		
On current accounts	974.64	935.42
Fixed deposits with maturity of less than 3 months	1,305.84	360.00
Cash on hand	0.81	0.51
Total cash and cash equivalents at end of the year	**2,281.29**	**1,295.93**

The above revised consolidated cash flow statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard - 7 on Statement of Cash Flows.

Refer note 16 for net debt reconciliation
As per our Report on Revised Consolidated Financial Statements of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration No: 116231W/ W-100024

Arpan Jain
Partner
Membership No. 125710

Place: Hyderabad
Date: 03 August 2022

for and on behalf of the Board of Directors of
Aragen Life Sciences Private Limited
(formerly known as GVK Biosciences Private Limited)
CIN: U74999TG2000PTC035826

Davinder Singh Brar
Chairman
DIN: 00068502

G V Sanjay Reddy
Vice Chairman
DIN: 00005282

K Ramakrishna
Company Secretary
M.No.: F3865

Sachin Anand Dharap
Chief Financial Officer

Manmahesh Kantipudi
Director & Chief Executive Officer
DIN: 05241166

Place: Hyderabad
Date: 03 August 2022

1. Company and group overview

The revised consolidated financial statements comprise the revised financial statements of Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)* ("the Company") and its subsidiaries (collectively referred to as "the Group") for the year ended 31 March 2022. The Group was incorporated in the year 2000 under the provisions of the Companies Act, 1956. The Group is primarily engaged in providing contract research and development services to global Pharmaceutical and Biotechnology companies. The Company's headquarter is located at 28 A, IDA Nacharam, Hyderabad, Telangana 500076, India.

These revised consolidated financial statements are authorised for issue by the Board of Directors of the Company at their meeting held on 03 August 2022. The earlier consolidated financial statements of the Company for the year ended 31 March 2022 were first approved by the Board of Directors on 26 May 2022. The earlier consolidated financial statements of the Company are being revised pursuant to an approved Scheme of Arrangement, the details of which are stated in note 47.

List of subsidiaries with percentage holding

Subsidiaries	Country of incorporation	% of holding	
		31 March 2022	31 March 2021
Aragen Bioscience, Inc.	United States of America	100.00%	100.00%
GVK Biosciences BV	Netherlands	100.00%	100.00%
Intox Private Limited*	India	76.00%	-
Aragen Foundation	India	100.00%	-
Excelra Knowledge Solutions Private Limited**	India	-	60.56%
GVK Davix Research Private Limited**	India	-	100.00%
GVK Biosciences Inc.,**	United States of America	-	100.00%

* Includes the equity interest on 19.28% considered as deferred consideration
**Refer note 47 on Scheme of arrangement

Parent Company for all the above subsidiaries is Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)*. The principal activities of the above subsidiaries include providing contract research and development services.

Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)* is the sponsoring entity of Employee Stock Option Plan ('ESOP') trusts. Management of the Company can appoint and remove the trustees and provide funding to the trust for buying the shares. Basis assessment by the management, it believes that the ESOP trusts are designed to be controlled by the Company and therefore it needs to be consolidated under Ind AS 110.

List of trusts that are consolidated

- GVK Bio Sciences Private Limited Employees Welfare Trust

2. Summary of significant accounting policies

(a) Statement of compliance

The revised consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 ("the Rules") (as amended).

(b) Basis of preparation of revised consolidated financial statements

The revised consolidated financial statements have been prepared on a historical cost basis, except for the following item:
- Defined benefit liability/(assets): fair value of plan assets less present value of defined benefit obligation
- Certain financial assets and liabilities that are measured at fair value or amortised value

The accounting policies applied by the Group are consistent with those used in the prior periods.

(c) Basis of consolidation:

Subsidiaries including trust:
Subsidiaries are entities over which the Group has control. The revised consolidated financial statements comprise the revised financial statements of the Company, its controlled trusts and its subsidiaries as at 31 March 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:
- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

2. Summary of significant accounting policies (continued)

- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights; and
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the revised consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Revised consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the revised consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the revised consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group, i.e., year ended on 31 March.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the revised consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the revised consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

(d) Business combinations and goodwill

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognized in the statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognized at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognized as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognized as capital reserve. Goodwill is initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

2. Summary of significant accounting policies (continued)

(e) Business combination under common control transactions

Business combinations involving entities that are controlled by the group are accounted for using the pooling of interest method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustment is made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonize accounting policies.
- The financial information in the revised financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the revised financial statements, irrespective of the actual date of combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- The balance of retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
- The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.
- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

(f) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group 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 Group classifies all other liabilities as non-current.

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

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

(g) Foreign currencies:

The Group's consolidated financial statements are presented in Indian Rupees (₹), which is also the Group's functional and presentation currency.

The revised financial statements are rounded off to the nearest millions.

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

Conversion
Foreign currency monetary items denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

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

Group companies
Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the balance sheet date. Statement of profit and loss have been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity.

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2. Summary of significant accounting policies (continued)

(h) Fair value measurement

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

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

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

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

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

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

(i) Revenue recognition

The Group recognises revenue in accordance with Ind-AS 115 'Revenue from Contracts with Customers'. The Standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract (s) with a customer
Step 2: Identify the performance obligation in contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Contract research and manufacturing services income

The Group derives revenues primarily from Contract research and manufacturing services income. 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.

Arrangement with customers for Contract research and manufacturing services income are either on a time-and-material basis, fixed price or on a sale of compounds.

Revenue recognition (continued)

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

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 Group 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. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as sales tax or other 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.

2. Summary of significant accounting policies (continued)

The consideration received by the Group 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.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

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

Sale of Products

Revenue from sale of products is recognized at the point-in time when the goods are delivered to the customer.

Dividends

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

Interest Income

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

Use of Significant Judgements in revenue recognition:

The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group 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 Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group 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 Group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group 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.

(j) Taxes

Tax expense comprises of current and deferred tax.

Current income tax

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

Deferred tax

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

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

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2. Summary of significant accounting policies (continued)

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

(k) 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 Group adopted cost model as its accounting policy, in recognition of property, plant and equipment and recognizes transaction vale 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 property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

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

Depreciation on property, plant and equipment
Depreciation on property, plant and equipment is provided on straight-line method over their estimated useful lives as estimated by the management. Management has assessed the useful life of its fixed assets on the basis of technical expert advice and past experience in the industry. The details of useful lives as assessed by the management and as prescribed in the Schedule II of the Act is as follows.

Particulars	**Management estimate (No. of years)**	**Schedule II (No. of years)**
Buildings (Including Roads)	10- 30 years	10- 30 years
Laboratory equipment	3-7 years	10 years
Plant and machinery	20 years	20 years
Computer and related equipment	3 - 4 years	3 - 6 years
Office equipment	5 - 10 years	5 - 10 years
Furniture and fittings	10 years	10 years
Vehicles	8 years	8 years

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

The Group 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.

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2. Summary of significant accounting policies (continued)

(l) Intangible assets

Software licenses including computer software

Intangible assets in the nature of software licenses are measured on initial recognition at cost including expenditure incurred towards implementation of such software. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit or Loss when the asset is derecognised.

Amortization

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

Technology related intangibles acquired
Intangible assets purchased or acquired in business combination, are measured at cost or fair value as of the date of acquisition, as applicable, less accumulated amortization and impairment, if any.

Amortization of technology
Intangible assets are amortized on a straight-line basis over the estimated useful economic life which in this case estimated to be five years. Further, the amortization period and the amortization method are reviewed atleast once at each financial year end.

Customer relationships intangible assets acquired
Intangible assets purchased or acquired in business combination, are measured at cost or fair value as of the date of acquisition, as applicable, less accumulated amortization and impairment, if any.

Amortization of Customer relationships intangible assets
The intangible assets are amortised over a period of five years as per management's estimate of its useful life, based on the life over which economic benefits are expected to be realised.

(m) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
    - the Group has the right to operate the asset; or
    - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 April 2019.

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

As a lessee

The Group 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.

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2. Summary of significant accounting policies (continued)

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group 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 Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group 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 Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group 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 Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position

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

The Group 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.

(n) 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 Group 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, labour and manufacturing overheads.

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

(o) Impairment

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

Goodwill is tested for impairment annually as at reporting date and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount. When the recoverable amount is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

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2. Summary of significant accounting policies (continued)

(p) Provisions

A provision is recognised when the Group 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 revised 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 Group 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 Group recongises any impairment loss on the assets associated with that contract

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

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

Gratuity

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The contributions made to the fund are recognised as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognised in the Balance Sheet. Re-measurements are recognised in the other comprehensive income, net of tax in the year in which they arise.

When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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2. Summary of significant accounting policies (continued)

Other long term employee benefits

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

(r) Share based payments

Equity-settled transactions: The Group 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 Group's best estimate of the number of equity instruments that will ultimately vest.

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.
Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Cash-settled transactions: The cost of cash-settled transactions is measured initially at fair value at the grant date using a binomial model. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date upto and including the settlement date, with changes in fair value recognized in employee benefits expense.

(s) Financial instruments

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

Financial assets

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

Subsequent measurement: For purposes of subsequent measurement, 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 Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit or Loss. The losses arising from impairment are recognised in the Statement of Profit or Loss. This category generally applies to trade and other receivables. For more information on receivables, refer note 10.

Equity instruments

All equity instruments 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 fair value through profit or loss. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

2. Summary of significant accounting policies (continued)

Derecognition

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

- The rights to receive cash flows from the asset have expired, or

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

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

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group 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.

Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in statement of profit and loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognized in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in statement of profit and loss

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to statement of profit and loss.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the debt instruments, that are measured at amortised cost e.g. loans, deposits, trade receivables and bank balances.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Group estimates full provision for all the amounts which the management estimates that they are not recoverable.

2. Summary of significant accounting policies (continued)

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

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 Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

Loans and borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some of all the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down. The fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates

Financial guarantee contract

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

As guarantees in relation to loans and other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

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

2. Summary of significant accounting policies (continued)

Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

Treasury shares:

The Group has created a GVK Bio Sciences Private Limited Employees Welfare Trust ("Trust") for providing share-based payment to its employees. The Group uses the Trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The Trust buys shares of the Group from the employees, for future grants to employees in pursuant to the Employee Stock Option Scheme. The Group treats the Trust as its extension and shares held by the Trust are treated as treasury shares. Those equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity of the Group. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in reserve. Share options exercised during the reporting period are satisfied with treasury shares.

(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 Group's cash management.

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

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

(v) Investments

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

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

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

(w) Earnings per equity share

Basic earnings per equity share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

(x) Cash flow statement

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

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2. Summary of significant accounting policies (continued)

(y) 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 in accordance with the requirements of Ind AS 'Operating Segment".

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

- Geographical-wise details of the Group's revenues from external customers and its non-current assets (other than financial instruments, investments accounted for using the equity method, deferred tax assets and post-employment benefit assets) are specified in note 38.

(z) Standards issued but not effective

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. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 16 – Proceeds before intended use
The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its revised financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract
The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification, and the Company does not expect the amendment to have any significant impact in its revised financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)
The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its revised financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)
The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its revised financial statements

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Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)*
Notes to the Revised Consolidated financial statements for the year ended 31 March 2022
(All amounts in ₹ million, except share data, unless otherwise stated)

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

	Land^	Buildings	Plant & Machinery	Laboratory equipment	Furniture and fixtures	Vehicles	Office equipment	Computer and related equipment	Leasehold improvements	Total
Gross block										
As at 31 March 2020	**151.22**	**1,598.21**	**1,222.60**	**3,829.97**	**346.57**	**2.37**	**694.68**	**130.73**	**298.91**	**8,275.26**
On account of composite scheme of arrangement (refer note 47)	-	-	-	-	2.53	-	3.58	48.10	-	54.21
On account of business combination (refer note 36)	-	-	-	-	-	-	-	0.89	-	0.89
Additions during the year	-	23.43	83.84	905.23	33.54	1.91	51.21	30.12	38.99	1,168.27
Adjustments/Disposals	-	-	(0.31)	(83.28)	(0.86)	-	(6.35)	(6.67)	-	(97.47)
Foreign currency translation reserve	-	-	-	(7.24)	-	-	(0.36)	-	(6.27)	(13.87)
As at 31 March 2021	**151.22**	**1,621.64**	**1,306.13**	**4,644.68**	**381.78**	**4.28**	**742.76**	**203.17**	**331.63**	**9,387.29**
On account of composite scheme of arrangement (refer note 47)	-	-	-	-	(2.53)	-	(3.58)	(50.69)	-	(56.80)
On account of business combination (refer note 36)	73.22	22.01	57.46	-	4.68	0.35	0.26	0.92	-	158.90
Additions during the year	65.55	918.37	179.76	2,155.08	207.60	2.10	496.06	92.10	0.76	4,117.38
Disposals during the year	-	-	(6.90)	(0.48)	(0.69)	(0.05)	(0.33)	-	-	(8.45)
Foreign currency translation reserve	-	-	-	14.16	-	-	0.64	-	9.65	24.45
As at 31 March 2022	**289.99**	**2,562.02**	**1,536.45**	**6,813.44**	**590.84**	**6.68**	**1,235.81**	**245.50**	**342.04**	**13,622.77**
Accumulated depreciation										
As at 31 March 2020	**-**	**226.72**	**226.13**	**1,722.46**	**134.38**	**1.36**	**306.45**	**90.73**	**103.69**	**2,811.92**
On account of composite scheme of arrangement (refer note 47)	-	-	-	-	2.18	-	2.83	35.79	-	40.80
Charge for the year	-	59.91	69.81	551.38	32.22	0.28	89.22	28.93	36.65	868.40
Adjustments or disposals	-	-	(0.15)	(81.84)	(0.82)	-	(5.89)	(6.62)	-	(95.32)
Foreign currency translation reserve	-	-	-	(4.08)	-	-	(0.25)	-	(2.29)	(6.62)
As at 31 March 2021	**-**	**286.63**	**295.79**	**2,187.92**	**167.96**	**1.64**	**392.36**	**148.83**	**138.05**	**3,619.18**
On account of composite scheme of arrangement (refer note 47)	-	-	-	-	(2.23)	-	(3.23)	(41.16)	-	(46.62)
On account of business combination (refer note 36)	-	0.55	10.57	-	1.00	0.07	0.10	0.54	-	12.83
Charge for the year	-	77.54	80.02	706.18	46.96	0.67	108.93	37.88	43.31	1,101.49
Disposals during the year	-	-	(3.11)	(0.15)	-	-	(0.03)	-	-	(3.29)
Foreign currency translation reserve	-	-	-	13.59	-	-	0.44	-	4.55	18.58
As at 31 March 2022	**-**	**364.72**	**383.27**	**2,907.54**	**213.69**	**2.38**	**498.57**	**146.09**	**185.91**	**4,702.17**
Net block as at										
As at 31 March 2022	**289.99**	**2,197.30**	**1,153.18**	**3,905.90**	**377.15**	**4.30**	**737.24**	**99.41**	**156.13**	**8,920.60**
As at 31 March 2021	151.22	1,335.01	1,010.34	2,456.76	213.82	2.64	350.40	54.34	193.58	5,768.11

Note (i):

^ Includes Land amounting to ₹ 47.95 (31 March 2021: ₹ 92.47) allotted to the Group pursuant to the agreement for sale of land with Telangana State Industrial Infrastructure Corporation Limited (formerly Andhra Pradesh Industrial Infrastructure Corporation Limited), which is pending registration as at 31 March 2022.

Further includes Land amounting to ₹ 47.64 (31 March 2021: ₹ 47.64) allotted to the Group pursuant to the agreement for sale of land with Karnataka Industrial Area Developement Board, which is pending registration as at 31 March 2022.

Refer note 16 for the details of assets pledged against borrowings.

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Depreciation and amortisation expense

	For the year ended	
	31 March 2022	**31 March 2021**
Depreciation and amortisation expense for the year	1,288.98	1,004.89
	1,288.98	**1,004.89**

Capital work-in-progress:

Capital work-in-progress (CWIP) comprises expenditure for the building, plant and machinery, laboratory and electrical equipment in the course of construction. The balance of CWIP as at 31 March 2022 is ₹321.74 (31 March 2021: ₹745.20). The balance of expenditure during construction period pending allocation as at 31 March 2022 is ₹3.84 (31 March 2021: ₹3.84).

Ageing for capital work-in-progress as at March 31, 2022 is as follows:

	Amount in CWIP for a period of				Total
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
Projects in progress	263.34	14.78	3.77	39.85	321.74
Projects temporarily suspended	-	-	-	-	-
Total	**263.34**	**14.78**	**3.77**	**39.85**	**321.74**

Ageing for capital work-in-progress as at March 31, 2021 is as follows:

	Amount in CWIP for a period of				Total
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
Projects in progress	465.38	178.27	73.63	27.92	745.20
Projects temporarily suspended	-	-	-	-	-
Total	**465.38**	**178.27**	**73.63**	**27.92**	**745.20**

Project execution plans are modulated basis capacity requirement assessment on an annual basis and all the projects are executed as per rolling annual plan.

Details of expenditure capitalised during the year

	As at	
	31 March 2022	**31 March 2021**
Balance at the beginning of the year	3.84	3.84
Less: Capitalized during the year	-	-
Balance at the end of the year	**3.84**	**3.84**

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3A Right-of-use assets

Following are the changes in the carrying values of right of use assets for the year ended 31 March 2022

	Category of ROU Assets				Total
	Land	Buildings	Vehicles	Equipments	
Balance as at 31 March 2020	**203.41**	**424.41**	**10.69**	**45.66**	**684.17**
On account of composite scheme of arrangement (refer note 47)		67.67			67.67
Additions during the year	-	24.57	5.47	101.21	131.25
Disposals during the year		(24.66)			(24.66)
Foreign currency translation reserve	-	(7.09)	-	(0.97)	(8.06)
As at 31 March 2021	**203.41**	**484.90**	**16.16**	**145.90**	**850.37**
On account of composite scheme of arrangement (refer note 47)		(55.69)			(55.69)
Additions during the year	-	79.83	26.77	-	106.60
Adjustments/disposals during the year	-	(43.84)	(10.45)	-	(54.29)
Foreign currency translation reserve	-	10.23	-	22.03	32.26
As at 31 March 2022	**203.41**	**475.43**	**32.48**	**167.93**	**879.25**
Accumulated depreciation					
As at 31 March 2020	**3.06**	**60.06**	**5.51**	**15.13**	**83.76**
On account of composite scheme of arrangement (refer note 47)		35.80			35.80
Depreciation	3.22	95.76	3.34	26.77	129.09
Disposals during the year		(24.66)			(24.66)
Foreign currency translation reserve	-	(1.33)	-	(0.46)	(1.79)
As at 31 March 2021	**6.28**	**165.63**	**8.85**	**41.44**	**222.20**
On account of composite scheme of arrangement (refer note 47)		(38.83)			(38.83)
Depreciation	3.22	79.87	6.57	29.80	119.46
Adjustments/disposals during the year	-	(28.43)	(10.45)	-	(38.88)
Foreign currency translation reserve	-	3.36	-	20.66	24.02
As at 31 March 2022	**9.50**	**181.60**	**4.97**	**91.90**	**287.97**
Balance as at 31 March 2022	**193.91**	**293.83**	**27.51**	**76.03**	**591.28**
Balance as at 31 March 2021	197.13	319.27	7.31	104.46	628.17

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

The following is the movement in lease liabilities (including accrued interest)

	As at	
	31 March 2022	31 March 2021
Balance at the beginning of the year	494.77	454.10
On account of composite scheme of arrangement (refer note 47)	(20.07)	34.21
Additions	106.60	131.25
Deletions from Lease liability	(16.36)	-
Finance cost accrued during the period	27.82	29.30
Payment of lease liabilities (incl. interest there on)	(134.12)	(147.63)
Foreign currency translation reserve	7.67	(6.46)
Balance at the end of the year	**466.31**	**494.77**

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

	As at	
	31 March 2022	31 March 2021
Current lease liabilities	123.93	105.31
Non-current lease liabilities	342.38	388.84
Total	**466.31**	**494.15**

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

	As at	
	31 March 2022	31 March 2021
Less than one year	141.26	130.08
One to five years	298.91	335.05
More than five years	347.48	387.33
Total	**787.65**	**852.46**

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

4 Goodwill

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning and end of the year	558.22	264.73
On account of business combination (refer note 36)	1,353.40	-
On account of composite scheme of arrangement (refer note 47)	(293.49)	293.49
	1,618.13	**558.22**

Goodwill impairment testing

The Group tests whether goodwill has suffered any impairment on an annual basis. The calculations use cash flow projections based on financial budgets approved by the management. An average of the range of each assumption used is mentioned below.

	As at 31 March 2022	As at 31 March 2021
Growth rate	19.6%-21.9%	19.7%-25.4%
Operating margins	23.5%-28.1%	21.4%-25.2%
Discount rate *	15.2%	15.1%

* The above discount rate is based on the Weighted Average Cost of Capital (WACC) which represents the weighted average return attributable to all the assets. These estimates are likely to differ from future actual results of operations and cash flows. Based on the above assessment, there has been no impairment of goodwill.

Other Intangible assets

	Computer Software	Customer Relationships	Developed technology	Trademark	Non-compete agreement	Intellectual property rights	Total
Gross block							
As at 31 March 2020	**67.29**	-	-	-	-	**184.85**	**252.14**
On account of composite scheme of arrangement (refer note 47)	13.52	-	-	-	-	-	13.52
Additions during the year	11.37	10.66	358.48	10.73	71.89	-	463.13
Foreign currency translation reserve	(0.53)	-	-	-	-	(3.93)	(4.46)
As at 31 March 2021	**91.65**	**10.66**	**358.48**	**10.73**	**71.89**	**180.92**	**724.33**
On account of composite scheme of arrangement (refer note 47)	(13.52)	(10.66)	(358.48)	(10.73)	(71.89)	-	(465.28)
On account of Business combination (refer note 36)	4.53	228.00	-	-	-	-	232.53
Additions during the year	14.30	-	-	-	-	-	14.30
Adjustments/Disposals	(0.75)	-	-	-	-	-	(0.75)
Foreign currency translation reserve	0.77	-	-	-	-	5.67	6.44
As at 31 March 2022	**96.98**	**228.00**	-	-	-	**186.59**	**511.57**
Accumulated amortization							
As at 31 March 2020	**24.22**	-	-	-	-	103.95	**128.17**
On account of composite scheme of arrangement (refer note 47)	2.70	-	-	-	-	-	2.70
Charge for the year	22.80	0.30	8.13	0.24	2.72	20.89	55.08
Foreign currency translation reserve	(0.09)	-				(2.46)	(2.55)
As at 31 March 2021	**49.63**	**0.30**	**8.13**	**0.24**	**2.72**	**122.38**	**183.40**
On account of composite scheme of arrangement (refer note 47)	(5.40)	(0.30)	(8.13)	(0.24)	(2.72)	-	(16.79)
On account of Business combination (refer note 36)	2.59	-	-	-	-	-	2.59
Charge for the year	19.92	27.15	-	-	-	20.96	68.03
Adjustments/Disposals	(0.74)	-	-	-	-	-	(0.74)
Foreign currency translation reserve	0.40	-	-	-	-	4.24	4.64
As at 31 March 2022	**66.40**	**27.15**	-	-	-	**147.58**	**241.13**
Net block							
As at 31 March 2022	**30.58**	**200.85**	-	-	-	**39.01**	**270.44**
As at 31 March 2021	42.02	10.36	350.35	10.49	69.17	58.54	540.93

Intangible assets under development

	As at 31 March 2022	As at 31 March 2021
Opening Balance	63.72	-
On account of composite scheme of arrangement (refer note 47)	(63.72)	34.65
Additions during the year		
Employee benefit expense	-	22.63
Others	-	6.44
Less: Capitalized during the year	-	-
Closing balance	-	**63.72**

Note: The intangible assets under development as at 31 March 2022 ₹ Nil (31 March 2021 : ₹63.72) is towards software products being developed for providing services to customers.

Ageing for intangibles under developement as at March 31, 2022 is as follows:

	As at Less than 1 year	1-2 years	2-3 years	re than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

Ageing for intangibles under developement as at March 31, 2021 is as follows:

	As at Less than 1 year	1-2 years	2-3 years	re than 3 years	Total
Projects in progress	29.08	27.51	7.13	-	63.72
Projects temporarily suspended	-	-	-	-	-
Total	**29.08**	**27.51**	**7.13**	-	**63.72**

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6 Investments

	As at	
	31 March 2022	**31 March 2021**
Unquoted		
Investments designated at fair value through profit & loss (FVTPL)		
Investments in equity instruments of other entities		
1,310 (31 March 2021: 1,310) equity shares of ₹1,000 each fully paid-up of Mana Effluent Treatment Private Limited, India	1.31	1.31
51,430 (31 March 2021: 51,430) Equity shares of ₹10 each fully paid-up of Pattancheru Enverotech Limited (held in the name of Dai-Ichi Karkaria Ltd., pending transfer), India.	0.51	0.51
2,500 Equity shares of ₹10 each fully paid-up of Saraswat Co-op Bank Ltd., India	0.03	-
Investments in other securities		
Investment in government securities - National Savings Certificate	0.01	0.01
Total Investments	**1.86**	**1.83**
-Aggregate amount of quoted investments and market value thereof;	-	-
-Aggregate amount of unqouted investments; and	1.86	1.83
-Aggregate amount of impairment in value of investments	-	-

Note:
Information about the Group's exposure to credit & market risks and fair value measurement is included in note 30 and note 32.

7 Loans

	As at	
	31 March 2022	**31 March 2021**
Current		
(Unsecured, considered good)		
Loan to employees	1.24	2.44
	1.24	**2.44**
Loans considered good - secured	-	-
Loans considered good - unsecured	1.24	2.44
Total	**1.24**	**2.44**
Credit impaired loans	-	-
Total Loans	**1.24**	**2.44**

(i) Loans are non-derivative financial assets which generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risk of the counter parties.

(ii) Information about the Group's exposure to credit risk and fair value measurement is included in note 30 and note 32.

(iii) No loans are due by directors or other officer of the Group or any of them either severally or jointly with any other persons or amounts due by firms or private limited Companies respectively in which any director is a partner or a director or a member.

8 Other financial assets

	As at	
	31 March 2022	**31 March 2021**
Non-current		
(Unsecured, considered good)		
Security deposits	73.30	72.42
Fixed deposits maturing after 12 months from the balance sheet date	406.22	2.70
Interest accrued on fixed deposits	10.76	0.59
	490.28	**75.71**
Current		
Security deposits	3.30	0.96
Interest accrued on fixed deposits	9.12	51.98
Derivative instruments: (refer note (ii) below)		
-Foreign exchange forward contracts used for hedging	144.10	145.28
Other assets	0.36	0.63
	156.88	**198.85**
Total financial assets	**647.16**	**274.56**

(i) Information about the Group's exposure to foreign currency risk, credit risk, interest rate risk and fair value measurement is included in note 30 and note 32.

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8 Other financial assets (continued)

(ii) Derivative instruments:

	As at	
	31 March 2022	**31 March 2021**
Total derivative instruments at fair value through profit or loss	6.73	11.89
Total derivative instruments through OCI	(144.10)	(145.28)

The Group is exposed to exchange rate risk which arises from its foreign exchange revenues and expenses, primarily in U.S. dollars, British pounds sterling and Euros, and foreign currency debt in U.S. dollars.
The Group uses forward contracts and swap contracts (derivatives) to mitigate its risk of changes in foreign currency exchange rates.

In respect of the aforesaid foreign exchange derivative contracts, the Company has recorded, as part of foreign exchange gains and losses, a net gain of ₹ 6.39 and ₹ 452.53 for the years ended 31 March 2022 and 2021 respectively.

Hedges of highly probable forecasted transactions

Foreign exchange forward contracts that are designated as cash flow hedges and qualify for hedge accounting are fair valued at each reporting date and the resultant gain or loss is recognised in Other Comprehensive Income under 'Cash Flow Hedge' in Equity to the extent considered highly effective and are reclassified into the statement of profit & loss upon occurrence of the hedged transactions. Gain or loss on derivative instruments that are either not designated as cash flow hedges or designated as cash flow hedges to the extent considered ineffective is recognised in the statement of profit and loss.

In respect of the aforesaid hedges of highly probable forecasted transactions, the Group has recorded, in reserves and surplus, a net gain of ₹ 4.78 and ₹ 338.34 for the years ended 31 March 2022 and 2021, respectively. The Group has also recorded, as part of revenue, a net gain/(loss) of ₹235.19 and ₹37.33 during the years ended 31 March 2022 and 2021 respectively.
The net carrying amount of the Group's "hedging reserve" was a gain/(loss) of ₹107.83 as at 31 March 2022, as compared to 108.42 as at 31 March 2021.

Derivative instruments at fair value through profit or loss

The table below summarises the periods when the forecasted cash flows associated with hedging instruments that are classified as cash flow hedges, are expected to occur:

Particulars	As at	
	31 March 2022	**31 March 2021**
Cash flows in U.S. Dollars (figures in equivalent rupee millions)		
Not later than one month	23.43	36.02
Later than one month and not later than three months	18.07	39.91
Later than three months and not later than six months	23.26	37.58
Later than six months and not later than one year	67.70	31.77
Later than one year	11.64	-
Total	**144.10**	**145.28**

9 Inventories

	As at	
	31 March 2022	**31 March 2021**
Valued at lower of cost or net realisable value		
Raw materials, chemicals and consumables	374.88	315.16
Work-in-progress	451.73	258.45
Finished goods	81.97	8.21
Stores and spares	78.90	89.12
	987.48	**670.94**
The above includes stock in transit:		
Raw materials, chemicals and consumables	4.27	-
Finished goods	43.01	4.39
Stores and spares	0.08	-
	47.36	**4.39**

Note:

The write down of inventories to net realisable value during the year amounted to ₹ 58.30 (31 March 2021: ₹ 123.55). The write down are included in cost of materials consumed and changes in inventories of work-in-progress and finished goods.

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10 Trade receivables

	As at	
	31 March 2022	**31 March 2021**
Unsecured considered good		
- related parties (refer note 42(c))	15.85	-
- other parties	2,415.66	2,547.92
	2,431.51	**2,547.92**
Unsecured considered doubtful		
- related parties (refer note 42(c))	14.48	-
- other parties	86.04	396.38
	100.52	**396.38**
Less : Provision for loss allowance	(100.52)	(396.38)
Total trade receivables	**2,431.51**	**2,547.92**

Break-up of security details

	31 March 2022	**31 March 2021**
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	2,431.51	2,547.92
Trade receivables which have significant increase in credit risk	12.06	25.67
Trade receivables - credit impaired	88.46	370.71
Total	**2,532.03**	**2,944.30**
Less : Provision for loss allowance	(100.52)	(396.38)
Total trade receivables	**2,431.51**	**2,547.92**

(i) No trade or other receivables are due from directors or other officers of the Group 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 a partner, a director or a member.

(ii) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.
(iii) For terms and conditions of Trade receivables from related parties refer note 42.
(iv) The Group exposure to credit risk and foreign currency risk and loss allowances related to Trade receivables are disclosed in note 32.
(v) Reconciliation of loss allowance

Particulars	**Amount**
Provision for loss allowance as on 01 April 2020	**369.86**
On account of composite scheme of arrangement (refer note 47)	(11.12)
Provision for expected credit losses during the year	38.61
Impact of foreign exchange	(0.97)
Provision for loss allowance as on 31 March 2021	**396.38**
On account of composite scheme of arrangement (refer note 47)	10.34
Provision for expected credit losses/(reversals) during the year	(22.42)
Adjustment against Bad debts written-off	(257.98)
Impact of foreign exchange translations	(25.80)
Provision for loss allowance as on 31 March 2022	**100.52**

Trade Receivables ageing schedule as at 31 March 2022:

	Outstanding for following periods from due date of payment						
	Not Due	**Less than 6 months**	**6 months -1 year**	**1-2years**	**2-3years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good ·	1,593.98	721.87	-	-	-	-	2,315.85
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	2.00	2.56	7.50	-	12.06
(iii) Undisputed Trade Receivables – credit impaired	-	15.15	13.20	2.07	2.25	19.37	52.04
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	13.90	22.52	36.42
Unbilled Receivables	-	-	-	-	-	-	115.66
Impairment allowance (allowance for doubtful debts)	-	-	-	-	-	-	(100.52)
Total	**1,593.98**	**737.02**	**15.20**	**4.63**	**23.65**	**41.89**	**2,431.51**

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Trade Receivables ageing schedule as at 31 March 2021:

	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months -1 year	1-2years	2-3years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	1,875.36	517.00	1.16	-	7.05	-	2,400.57
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	13.11	12.56	-	25.67
(iii) Undisputed Trade Receivables – credit impaired	-	0.16	28.01	1.64	8.70	261.30	299.81
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	31.84	13.48	21.44	4.14	70.90
Unbilled Receivables	-	-	-	-	-	-	147.35
Impairment allowance (allowance for doubtful debts)	-	-	-	-	-	-	(396.38)
Total	**1,875.36**	**517.16**	**61.01**	**28.23**	**49.75**	**265.44**	**2,547.92**

11 Cash and bank balances

	As at 31 March 2022	As at 31 March 2021
(A) Cash and cash equivalents		
Balances with banks		
-In current accounts	974.64	935.42
-Fixed deposits (Maturity period less than 3 months)	1,305.84	360.00
Cash on hand	0.81	0.51
	2,281.29	1,295.93
(B) Bank balances other than (A) above		
Deposits with remaining maturity for less than 12 months	1,401.78	1,774.03
Margin money deposits with banks (refer note below)	6.70	10.65
	1,408.48	1,784.68

Note:
As at 31 March 2022, the Group had ₹6.70 (31 March 2021 : ₹10.65) margin money deposits which are subject to first charge to secure the Group's letter of credit and bank guarantee arrangements.

12 Other assets

	As at 31 March 2022	As at 31 March 2021
(Unsecured, considered good)		
Non-current		
Capital advances	12.71	31.51
Balances lying with government authorities	-	4.45
Prepaid expenses	3.56	14.20
	16.27	50.16
Current		
Advance for expenses	75.80	50.52
Balances lying with government authorities*	599.84	594.43
Prepaid expenses	109.33	105.16
Others		7.83
	784.97	757.94

*Includes deposits paid under protest of ₹ 2.50 (31 March 2021: ₹ 2.50)

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

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13 Equity share capital

	As at			
	31 March 2022		31 March 2021	
	Number	Amount	Number	Amount
Authorized (Equity shares of ₹10 each)				
Balance at the beginning of the year	11,50,00,000	1,150.00	11,50,00,000	1,150.00
On account of composite scheme of arrangement (refer note 42)	2,70,00,000	270.00	-	-
Balance at the end of the year	**11,50,00,000**	**1,420.00**	**11,50,00,000**	**1,150.00**
Issued, subscribed and fully paid-up				
Equity shares of ₹10 each	6,81,38,063	681.38	6,69,82,452	669.82
	6,81,38,063	**681.38**	**6,69,82,452**	**669.82**

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

	31 March 2022		31 March 2021	
	Number	Amount	Number	Amount
At the beginning of the year	6,69,82,452	669.82	6,69,82,452	669.82
Issued during the year	11,55,611	11.56	-	-
Balance at the end of the year	**6,81,38,063**	**681.38**	**6,69,82,452**	**669.82**

(b) Terms/rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing general meeting.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	31 March 2022		31 March 2021	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares of ₹10 each fully paid				
Gunupati Aparna Reddy (as a Trustee of Reddy Investment Trust)	2,20,56,824	32.37%	1,05,22,420	15.71%
Mr. Davinder Singh Brar	1,63,93,860	24.06%	1,05,22,420	15.71%
WSCPVIII (Singapore) Pte. Ltd.	1,11,41,008	16.35%	-	-
Madhubani Investments Private Limited	64,10,232	9.41%	-	-
Goldman Sachs Capital Holdings III Pte. Ltd	51,59,708	7.57%	-	-
WSCPVIII Emp (Singapore) Pte. Ltd.	46,99,518	6.90%	-	-
Destiny Investments Limited	-	-	1,12,35,160	16.77%
GVK Davix Technologies Private Limited (refer note 47)	-	-	3,39,00,000	50.61%

The Shareholding pattern of the Company changed pursuant to the composite scheme of arrangement during the year ended 31 March 2022. Refer note 47.

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.

(d) Shareholding of promoters/promoters group

Promoter name	As at 31 March 2022		As at 31 March 2021		% Change during the year
	No. of Shares	% of total shares	No. of Shares	% of total shares	
Mr. Davinder Singh Brar	1,63,93,860	24.06%	1,05,22,420	15.71%	8.35%
Gunupati Aparna Reddy (as a Trustee of Reddy Investment Trust)	2,20,56,824	32.37%	1,05,22,420	15.71%	16.66%
Gunupati Aparna Reddy (as a Trustee of Reddy Family Trust)	9,08,379	1.33%	-	0.00%	1.33%
Madhubani Investments Private Limited	64,10,232	9.41%	-	0.00%	9.41%
Mr. Anandbir Singh Brar	1,61,111	0.24%	-	0.00%	0.24%
GVK Davix Technologies Private Limited (refer note 47)	-	-	3,39,00,000	50.61%	-50.61%

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13 Equity Share capital (continued)

(e) Shares reserved for issue under employee stock option scheme(ESOP):

Pursuant to special resolution passed by the members of the Holding Company during their meeting held on the 21 April 2006, the Board of Directors of the Holding Company instituted an Employee Stock Option Plan 'ESOP-2007' with a pool of 450,000 stock options. The said stock options would be granted to the eligible employees, duly identified by the Compensation Committee of the Board of Directors, in various tranches. Each option comprises of one underlying equity share of ₹10 each. The options so granted are subject to progressive vesting over a period of four years from the date of grant on an annual basis in the proportion of 20%, 20%, 30% and 30%, respectively, and can be exercised within a period of 5 years from the date of vesting in the event of Holding Company being listed or the same can be exercised within 5 years from the date of listing or such other early period and such number as determined by Board of Directors of the Holding Company from time to time. Further, the board of directors vide resolution dated 16 March 2017, agreed to issue 3 bonus ESOP's for each ESOP held. Accordingly, adjustments have been made in respect of exercise price and number of ESOP's.

Pursuant to special resolution passed by the members of the Holding Company during their meeting held on the 24 May 2017, the Board of Directors of the Holding Company instituted an Employee Stock Option Plan 'ESOP-2017' with a pool of 2,000,000 stock options. The said stock options would be granted to the eligible employees, duly identified by the Compensation Committee of the Board of Directors, in various tranches. Each option comprises of one underlying equity share of ₹10 each issued directly by the Holding Company or transfer through the trust. The options so granted shall vest within not earlier than one (1) year and not more than four years, and can be exercised in the event of Holding Company being listed or at such times and under other conditions as determined by Board of Directors of the Holding Company set forth in the Grant Letter. The vesting period for the grants during the year are 20%, 25%, 25% and 30%.

The Group has accounted for employee deferred compensation expense using fair value method for options granted at a price lower than the market values.

Changes in number of shares representing stock options outstanding as at 31 March 2022 were as follows:

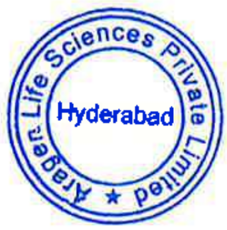
	31 March 2022			31 March 2021		
	Number of options	**Weighted average exercise price ₹**	**Range of exercise price ₹**	**Number of options**	**Weighted average exercise price ₹**	**Range of exercise price ₹**
Outstanding, beginning of the year	21,95,485	193.56	10 to 702	23,21,235	169.70	10 to 396
Granted during the year	1,37,720	429.55	702.00	1,30,000	702.00	702.00
Forfeited during the year	150	235.40	235.40	2,55,750	235.40	235.40
Exercised during the year	11,55,611	94.34	10 to 396	-	-	-
Outstanding, end of the year	11,77,444	318.53	10 to 702	21,95,485	193.56	10 to 702
Exercisable at the end of the year	8,33,826	155.77	10 to 702	16,88,427	128.08	10 to 396

Options outstanding at 31 March 2022 had an exercise price in the range of ₹10 to ₹702 (31 March 2021: ₹10 to ₹702), and a weighted average remaining contractual life of 0.58 years (31 March 2021: 0.38 years).

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

	As at	
	31 March 2022	**31 March 2021**
Risk free interest rate	5.46%	6.48%
Remaining contractual life	0.58	0.38
Expected life of share options (years)	0-4 years	0-4 years
Expected volatility (%)	19.94%	24.06%
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.



13 Equity Share capital (continued)

Aragen Bioscience Inc. ("Aragen")

On 9 January 2009, Aragen's board of directors adopted, the Aragen's 2008 Equity Incentive Plan (the plan). Under the plan, the option exercise price per share would be $1.00 per share. The option granted under the plan would vest over 4 years. The fair value of the option on the grant date is $1.00 per share. The Aragen has granted 396,000 shares under the plan in January 2009.
During the previous year, Aragen's Board of Directors adopted, the Aragen'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 Aragen has approved 168,000 shares under the plan in July 2018.

Changes in number of shares representing stock options outstanding as at 31 March 2022 were as follows:

	31 March 2022			As at 31 March 2021		
	Number of options	Weighted average exercise price $	Range of exercise price $	Number of options	Weighted average exercise price $	Range of exercise price $
Outstanding, beginning of the year	78,540	12.80	7.42 to 18.08	1,10,540	10.08	7.42 to 13.23
Granted during the year	3,200	11.34	11.34	12,000	18.08	18.08
Forfeited during the year	29,165	-	13.23	20,400	-	-
Exercised during the year	-	-	-	23,600	18.08	18.08
Outstanding, end of the year	52,575	12.47	7.42 to 18.08	78,540	12.80	7.42 to 18.08
Exercisable at the end of the year	32,415	12.30	12.30	10,140	13.23	13.23

During the previous year, Aragen Bioscience Inc., has bought back 23,600 ESOPs which are vested by the employees at fair value of $ 18.08 per option.

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

	31 March 2022	31 March 2021
Risk free interest rate	2.75%	2.75%
Expected life of share options (years)	5.51	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.

(f) During the 5 years ended 31 March 2022 (31 March 2021: Nil), the Holding Company has not bought back any shares.

(g) During the 5 years ended 31 March 2022 (31 March 2021: Nil) no shares were allotted as fully paid up pursuant to contract without payment being received in cash.

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Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)*
Notes to the Revised Consolidated financial statements for the year ended 31 March 2022
(All amounts in ₹ million, except share data, unless otherwise stated)

14 Other equity

	As at	
	31 March 2022	**31 March 2021**
Securities premium		
Balance at the beginning of the year	185.81	185.81
Add: Received during the year	205.52	-
Balance at the end of the year	**391.33**	**185.81**
Treasury shares		
Balance at the beginning of the year	(148.85)	(148.85)
Add: Share purchases during the year	1.98	-
Balance at the end of the year	**(146.87)**	**(148.85)**
Capital reserve		
Balance at the beginning and end of the year	106.81	(547.11)
Add: On account of composite scheme of arrangement (refer note 47)	(946.10)	653.92
Balance at the end of the year	**(839.29)**	**106.81**
General reserves		
Balance at the beginning and end of the year	211.05	204.81
Add: On account of composite scheme of arrangement (refer note 47)	-	6.24
Balance at the end of the year	**211.05**	**211.05**
Retained earnings		
Balance at the beginning of the year	7,815.53	6,319.82
Add: Net profit for the year from continuing operations	1,960.70	1,642.77
Add: Net profit for the year from discontinued operations	-	534.71
Add: Other comprehensive income net of tax	6.09	(5.57)
Less: Transfer to debenture redemption reserve	(200.00)	-
Less: Utilized on account of buyback of stock options	-	(13.99)
Less: Dividends paid	-	(662.21)
Balance at the end of the year	**9,582.32**	**7,815.53**
Effective portion of cash flow hedge		
Balance at the beginning of the year	108.42	(229.92)
Add: On account of composite scheme of arrangement (refer note 47)	(5.37)	-
Add: Other comprehensive income net of tax	4.78	338.34
Balance at the end of the year	**107.83**	**108.42**
Foreign currency translation reserve		
Balance at the beginning of the year	10.58	17.79
Add: On account of composite scheme of arrangement (refer note 47)	(2.09)	-
Add: Reserve for the year	(16.89)	(7.21)
Balance at the end of the year	**(8.40)**	**10.58**
Capital redemption reserve		
Balance at the beginning of the year	3.36	-
Add: On account of composite scheme of arrangement (refer note 47)	-	3.36
Balance at the end of the year	**3.36**	**3.36**
Debenture redemption reserve		
Balance at the beginning of the year	-	-
Add: Transfer from retained earnings	200.00	-
Balance at the end of the year	**200.00**	**-**
Share based payment reserve		
Balance at the beginning of the year	121.61	119.65
Add: Gross compensation for stock options granted during the year	75.93	6.25
Less: Transfer to share premium on account of exercise of options	(54.33)	(4.29)
Balance at the end of the year	**143.21**	**121.61**
Gross obligation to non-controlling interest under put options		
Balance at the beginning of the year	-	-
Movement during the year	(4.00)	-
Balance at the end of the year	**(4.00)**	**-**
Total other equity	**9,640.54**	**8,414.32**

Nature and purpose of reserves

Securities premium

The amount received in excess of face value of the equity shares is recognised in securities premium. This reserve will be utilised in accordance with the provisions of the Companies act 2013.

Treasury shares

Represents equity shares of the Group held by the controlled trusts.

Capital reserve

Represents reserve created on merger of Aragen Life Sciences Private Limited (formerly known as GVK Biosciences Private Limited) and Inogent Laboratories Private Limited, merger of GVK Davix Technologies Private Limited into Aragen Life Sciences Private Limited and on consolidation of Aragen Bioscience, Inc.

General reserve

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

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.

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14 Other equity (continued)

Effective portion of cash flow hedge

This reserve represents the cumulative effective portion of change in fair value of derivatives that are designated as cash flow hedges. It will be reclassified to Statement of Profit and Loss in accordance with the Group's accounting policy.

Capital redemption reserve

Represents the nominal value of shares bought back by GVK Davix Technologies Private Limited.

Gross obligation to non-controlling interest under put options

Represents the fair value of the put option obligation towards the acquisition of balance stake in Intox Private Limited.

Debenture redemption reserve ("DRR")

The Holding Company has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the Holding Company to create DRR out of profits of the Holding Company available for payment of dividend. DRR is required to be created for an amount which is equal to 10% of the value of debentures issued.

(a) Distribution made and proposed

	As at	
	31 March 2022	**31 March 2021**
Interim Dividend on equity shares declared and paid:		
Interim dividend declared and paid to the shareholders of the Company	-	474.25
Interim dividend declared and paid to the shareholders of the GVK Davix Technologies Private Limited	-	102.77
Interim dividend declared and paid to the shareholders of the Excelra Knowledge Solutions Private Limited	-	85.19
	-	**662.21**
Proposed dividends on equity shares#:		
Proposed final equity dividend for the year ended 31 March 2021: ₹ 8.64 per share (31 March 2021: ₹ Nil per share)	588.71	-
	588.71	**-**

Proposed dividend includes dividend payable to GVK Bio employee welfares trust ₹ 6.91 (31 March 2021: ₹ Nil)

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including tax on proposed dividend thereon) as at 31 March.

(b) Treasury Shares

	Number of shares	Amount
As at 01 April 2020	**(8,02,452)**	**(148.85)**
Add: Shares acquired during the year	-	-
As at 31 March 2021	**(8,02,452)**	**(148.85)**
Add: Shares acquired/(disposed) during the year	3,000	1.98
As at 31 March 2022	**(7,99,452)**	**(146.87)**

15 Non-controlling interest (NCI)

	As at	
	31 March 2022	**31 March 2021**
Balance at the beginning of the year	791.74	-
On account of composite scheme of arrangement (refer note 47)	(791.74)	366.32
Non-controlling interest arising on the acquisition of subsidiaries (refer note 36)	499.00	212.53
Share of profit during the year	13.93	212.89
Share of other comprehensive income during the year	0.14	-
Balance at the end of the year	**513.07**	**791.74**

16 Borrowings

	As at	
	31 March 2022	**31 March 2021**
Non-current borrowings		
Secured bank loans		
-Foreign currency loans (Note (i))	1,286.22	430.84
-Indian Rupee term loans (Note (i))	1,575.00	1,250.00
7.75% Non-convertible Redeemable Debentures	1,980.84	-
Less: Current maturities of long-term borrowings	(439.78)	(331.67)
	4,402.28	**1,349.17**
Current borrowings		
Secured bank loans		
Working capital loans from bank (Note (iii))	-	200.91
Foreign currency packing credit and buyers credit loan (Note (ii))	333.66	779.05
Current maturities of long-term borrowings	439.78	331.67
Unsecured loans from related parties (refer note (v))	32.35	9.65
	805.79	**1,321.28**

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16 Borrowings (continued)

Note (i)

a) Details of security of long term borrowings:

Foreign currency term loans

(i) ECB Loan from CITI Bank of ₹282.70 (31 March 2021: ₹430.84) has exclusive charge on Property plant & equipment of the plant located at Plot No.94, Lemerthi (V), Ramky SEZ, Parawada, Vishakhapatnam.

(ii) Term loans of ₹ 502.66 (31 March 2021: ₹ Nil) from Kotak Mahindra Bank Limited are secured by exclusive charge on Property plant & equipment, movable CWIP excluding immovable property at Nacharam and Bangalore facility with minimum asset cover of 1.25x. The Holding Company has entered into a currency swap agreement in USD and hence designated the loan as foreign currency term loan.

(iii) Term loans of ₹ 500.86 (31 March 2021: ₹ Nil) from Citi Bank are secured by a exclusive charge on Property plant & equipment of the plant located at Plot No.94, Lemerthi (V), Ramky SEZ, Parawada, Vishakhapatnam. The Holding Company has entered into a currency swap agreement in USD and hence designated the loan as foreign currency term loan.

Indian rupee term loans

(i) Term loans of ₹400.00 (31 March 2021: ₹500.00) from Federal Bank Limited are secured by first charge on Property plant & equipment excluding immovable property at Mallapur unit with minimum asset cover of 1.25x.

(ii) Term loans of ₹675.00 (31 March 2021: ₹ 750.00) from Kotak Mahindra Bank Limited are secured by exclusive charge on Property plant & equipment excluding immovable property at Nacharam facility with minimum asset cover of 1.25x.

(iii) Term loans of ₹500.00 (31 March 2021: ₹ Nil) from Kotak Mahindra Bank Limited are secured by exclusive charge on Property plant & equipment, movable CWIP excluding immovable property at Nacharam and Bangalore facility with minimum asset cover of 1.25x.

7.75% Non-convertible Redeemable Debentures

7.75% Non-convertible debentures of ₹1,980.84 (31 March 2021: ₹ Nil) are issued on private placement by the Holding Company during the year. Such debentures are secured by first charge on Property plant & equipment, movable CWIP including immovable property at Mallapur unit with minimum asset cover of 1.25x and are repayable at the end of 36 months form the date of allotment.

b) Terms of repayment of long term borrowings:

	As at	
	31 March 2022	**31 March 2021**
Within 1 year	439.78	331.67
1 - 2 years	846.67	369.17
2 - 5 years	3,442.51	980.00
> 5 years	113.10	-
	4,842.06	**1,680.84**

c) The foreign currency loans carries an annual interest rate of 1.90% - 3.80% (31 March 2021: 4.00%) and is repayable in quarterly instalments as agreed. Indian Rupee loans carry an annual fixed rate of interest of 7.00% - 7.75% (31 March 2021: 8.5% - 9.0%) and is repayable in quarterly/half yearly/tri-annually instalments as agreed.

Working capital loans from banks, are secured by: Pari-passu first charge on the current assets of the Group. These loans carry annual interest rate in the range of 7.80% to 11.00% (31 March 2020: 7.80% to 11.00%) per annum.

Note (ii)

Foreign currency packing credit and buyers' credit are repayable over a period of three to six months and are secured against first charge on current assets including, receivables. These loans carry an annual interest rate in the range of 0.80% to 2.25% (31 March 2021: 1% to 4.87%) per annum.

Loan covenants

Bank loans contain certain debt covenants relating to limitation on indebtness, debt equity ratio, net borrowings to Earnings before interest, taxes, depreciation, amortization ratio and debt service coverage ratio. The Group has satisfied all debt covenants prescribed in the terms of bank loan.

Note (iii)

Net Debt reconciliation

	Other assets	**Liabilities from financing activities**			
	Cash and cash equivalents	**Non-Current borrowings**	**Current borrowings**	**Interest accrued***	**Total**
Net debt as at 31 March 2020	**1,269.08**	**1,852.48**	**1,100.42**	**29.14**	**(1,712.96)**
Cash flows	(44.36)	(137.49)	(100.90)	-	194.03
On account of composite scheme of arrangement (refer note 47)	67.73	-	-	-	67.73
Foreign exchange adjustments	3.48	(34.15)	(9.91)	-	47.54
Interest expense	-	-	-	169.89	(169.89)
Interest paid	-	-	-	(167.19)	167.19
Net debt as at 31 March 2021	**1,295.93**	**1,680.84**	**989.61**	**31.84**	**(1,406.36)**
Cash flows	1,230.82	3,168.36	(419.29)	-	(1,518.25)
On account of business combination (refer note 36)	118.65	-	-	-	118.65
On account of composite scheme of arrangement (refer note 47)	(368.02)	-	(200.91)	-	(167.11)
Foreign exchange adjustments	3.91	(7.14)	(3.40)	-	14.45
Interest expense	-	-	-	206.59	(206.59)
Interest paid	-	-	-	(178.99)	178.99
Net debt as at 31 March 2022	**2,281.29**	**4,842.06**	**366.01**	**59.44**	**(2,986.22)**

* Excludes Interest accrued on MSME dues ₹5.45 (31 March 2021: ₹5.70) and interest on lease liabilities ₹27.84 (31 March 2021: ₹29.30).

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16 Borrowings (continued)

Note (iv) Sensitivity:

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates

	Change in rate	Impact on profit after tax	
		31 March 2022	31 March 2021
Foreign currency loans	Increase by 1%	(12.12)	(9.05)
	Decrease by 1%	12.12	9.05
INR Loans			
	Increase by 1%	(11.79)	(10.86)
	Decrease by 1%	11.79	10.86

Note (v):

The loans from related parties amounts to ₹ 32.35 (31 March 2021: ₹ 9.65) carry an interest rate of 9% per annum and is repayable on demand.

(d) The Group had filed appropriate form for satisfaction of charges before Registrar of Companies, Hyderabad with respect to the charges amounting to ₹ 36.50 (31 March 2021: ₹ 36.50) created against the Group and there are no borrowing outstanding with respect to the same. The Group has been continuously pursuing with the authorities to reflect the same on their website.

17 Provisions

	As at	
	31 March 2022	31 March 2021
Non-current		
Provision for employee benefits		
-Gratuity (refer note 25(b))	173.75	159.16
-Compensated absences	101.71	87.70
	275.46	**246.86**
Current		
Provision for employee benefits		
-Gratuity (refer note 25(b))	15.35	14.94
-Compensated absences	19.62	18.17
	34.97	**33.11**

18 Trade payables

	As at	
	31 March 2022	31 March 2021
Trade payables		
- related parties (note 42(c))	9.27	0.53
-Total oustanding dues of micro and small enterprises	129.22	86.16
-Total outstanding dues of creditors other than micro and small enterprises	1,124.68	1,054.22
	1,263.17	**1,140.91**

(a) Trade payables are non-interest bearing and are normally settled on 0-90 day terms

(b) For terms and conditions with related parties, refer to note 42.

(c) Information about the companies exposure to foreign currency risks, liquidity risk and fair value measurement is included in note 30 and note 32.

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

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2022 has been made in the revised financial statements based on information received and available with the Group. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Group has not received any claim for interest from any supplier under the said Act.

	As at	
	31 March 2022	31 March 2021
(i) The principal amount and interest due thereon remaining unpaid to supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprise	237.71	86.16
- Interest due on above	0.43	0.39
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	697.18	478.72
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year	5.45	5.70
(v) Interest remaining due and payable in succeeding years, in terms of Section 23 of the MSMED Act, 2006	30.52	25.07

Due to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the Auditors.

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18 Trade payables (continued)

Trade payables ageing schedule as at 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due- Trade Payables	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	79.22	42.97	0.84	0.61	5.58	129.22
(ii) Others	392.26	317.47	5.15	4.35	3.99	723.22
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
(v) Accrued for expenses	-	-	-	-	-	410.73
	471.48	**360.44**	**5.99**	**4.96**	**9.57**	**1,263.17**

Trade payables ageing schedule as at 31 March 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due- Trade Payables	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	67.70	47.67	2.15	2.73	0.82	121.07
(ii) Others	290.43	297.89	21.13	2.13	13.84	625.42
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
(v) Accrued for expenses	-	-	-	-	-	394.41
	358.13	**345.56**	**23.28**	**4.86**	**14.66**	**1,140.90**

19 Other financial liabilities

	As at 31 March 2022	As at 31 March 2021
Non-current		
Put option liability (refer note 36)	4.00	-
	4.00	**-**
Current		
At amortised cost		
Creditors for capital expenditure (refer note below)	331.24	194.38
Creditors for expenses	44.87	243.97
Refundable deposits	1.56	2.61
Dues to employees	359.00	354.75
Derivative instruments: (Refer note 8)		
-Other Foreign exchange forward contracts	6.73	11.89
Interest accrued but not due on borrowings and lease liabilities	59.44	31.84
Liability under Share Purchase agreement (refer note 36)	507.00	-
Dividend received on behalf of Shareholders (refer note c)	227.11	-
Other payables	-	3.21
	1,536.95	**842.65**

(a) Information about the companies exposure to foreign currency risks, liquidity risk and fair value measurement is included in note 30 and note 32.

(b) Creditors for capital expenditure includes amount payable to MSME of Rs. 108.49 as at 31 March 2022 (31 March 2021: Rs. 37.42).

(c) The dividend was received by Parent Company during the year ended 31 March 2022 and has subsequently distributed such amount to the shareholders of Parent (refer note 47).

20 Other current liabilities

	As at 31 March 2022	As at 31 March 2021
Advances received from customers	562.64	380.24
Liability towards Corporate Social Responsibility (refer note 45)	20.63	-
Statutory liabilities	67.44	85.56
Deferred revenue	98.39	62.69
Other liabilities*	0.19	30.33
	749.29	**558.82**

*Includes ₹0.19 (31 March 2021: ₹0.19) payable to related party. Refer note note 42(c).

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21 Revenue from operations

	For the year ended	
	31 March 2022	31 March 2021
Sale of goods:		
- Pharmaceutical products sales	3,745.98	2,747.06
Revenue from services:		
- Contract research services	10,070.92	8,485.31
Other operating revenues	56.71	100.42
	13,873.61	**11,332.79**

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.

In relation to information about the Group's performance obligations in contracts with customers refer note 2(i). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is ₹47.99 (31 March 2022: ₹137.67) 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.

Information about products and services

The Group deals in different types of products and services

	Timing of recognition (Over the period / Point in time)	For the year ended	
		31 March 2022	31 March 2021
Sale of goods	Point in time	3,745.98	2,747.06
Sales of services	Over the period	10,070.92	8,485.31
Total		**13,816.90**	**11,232.37**

Contract balances:

	As at	
	31 March 2022	31 March 2021
Trade receivables	2,431.51	2,547.92
Contract liabilities - Customer advances	562.64	380.24

Refer note 38 for disaggregated revenue details by geography.

Reconciliation of revenue with contract price

	For the year ended	
	31 March 2022	31 March 2021
Contract price	13,846.15	11,272.65
Less : Discounts	29.25	40.28
Revenue from operations	**13,816.90**	**11,232.37**

22 Other income

	For the year ended	
	31 March 2022	31 March 2021
Interest income on fixed deposits	59.15	79.28
Scrap sales	-	4.11
Liabilities no longer required written back	30.28	51.34
Foreign exchange fluctuations, net	34.13	-
Income from Investment	0.65	0.34
Other non-operating income	20.73	34.29
Interest income on loans and advances	2.65	14.29
	147.59	**183.65**

23 Cost of material consumed

	For the year ended	
	31 March 2022	31 March 2021
Inventory at the beginning of the year	284.67	287.87
Add: Purchases of raw materials	2,034.97	1,323.02
	2,319.64	**1,610.89**
Less: Inventory at the end of the year	329.41	284.67
	1,990.23	**1,326.22**

24 Changes in inventories of Work-in-progress and finished goods

	For the year ended	
	31 March 2022	31 March 2021
Opening Stock		
Finished goods	8.18	24.67
Work-in-progress	262.74	318.94
Closing stock		
Finished goods	81.97	8.18
Work-in-progress	442.76	262.74
	(253.81)	**72.69**

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25 Employee benefits expense

	For the year ended	
	31 March 2022	31 March 2021
Salaries and wages	3,616.96	2,950.17
Employee stock compensation expenses	75.93	6.25
Contribution to provident and other funds (note a)	114.35	87.85
Gratuity and compensated absences (note b)	62.37	57.81
Staff welfare expenses	242.04	192.57
	4,111.65	**3,294.65**

a. Defined contribution plan

During year ended 31 March 2022, the Group contributed ₹73.29 (31 March 2021: ₹70.60) to provident fund, ₹7.10 (31 March 2021: ₹5.02) towards employee state insurance fund ₹ 21.84 (31 March 2021: ₹ 15.52) towards Individual Retirement Account (IRA) and ₹12.12 (31 March 2021: ₹8.42) towards National Pension scheme.

b. Defined benefit plan

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

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

Changes in present value of defined benefit obligation:

	As at	
	31 March 2022	31 March 2021
Defined benefit obligation at beginning of the year	181.45	128.71
On account of composite scheme of arrangement (refer note 47)	(30.28)	21.62
On account of Business combination (refer note 36)	25.43	-
Current service cost	33.62	31.51
Past service cost	-	-
Interest cost	10.96	9.68
Benefits paid	(22.96)	(15.67)
Actuarial losses on obligation	(8.54)	5.60
Defined benefit obligation at end of the year	**189.67**	**181.45**

The fair value of defined benefit plan assets are as follows:

	As at	
	31 March 2022	31 March 2021
Fair Value of Plan Assets at the beginning of the year	7.35	6.83
Add: Contributed during the year	-	-
Add: Interest accrued during the year	0.51	0.46
Add: Return on plan assets (excl. interest income)	(0.29)	0.06
Less: Benefit refund to be received by the company	(0.39)	
Less: Benefits paid from the plan during the year	(6.61)	-
Fair Value of Plan Assets at the end of the year	**0.57**	**7.35**

Reconciliation of present value of obligation and the fair value of plan assets

	As at	
	31 March 2022	31 March 2021
Present value of defined benefit obligation	189.67	181.45
Fair value of plan assets at the end	(0.57)	(7.35)
Net liability recognised in the balance sheet	**189.10**	**174.10**
Current & Non-current bifurcation of net liability		
Current	15.35	14.94
Non-current	173.75	159.16
	189.10	**174.10**

The amounts recognized in the Statement of Profit and Loss and Other Comprehensive Income are as follows:

	For the year ended	
	31 March 2022	31 March 2021
In Statement of Profit and Loss under "Employee benefits expense"		
Current service cost	33.62	31.51
Past service cost	-	-
Interest cost	10.96	9.68
Return on plan assets	(0.51)	(0.46)
	44.07	**40.73**
In Statement of Other Comprehensive Income		
Actuarial loss	(8.50)	(7.80)
Return on Plan Assets(excluding Interest income)	0.29	(0.06)
	(8.21)	**(7.86)**
Total	**35.86**	**32.87**

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25 Employee benefits expense (continued)

The assumptions used in accounting for the gratuity plan are set out as below:

	As at	
	31 March 2022	31 March 2021
Discount rate	6.80% to 7.1%	6.89%
Retirement age	58 to 60 years	60 years
Salary escalation	6% to 20%	6.00%
Attrition rate	8% to 13%	8.00%
Mortality rate	IALM (2012-14) Ult.	IALM (2012-14) Ult.

The estimates of future salary increase considered in actuarial valuation take account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market. Further, the Group has invested a part of the accrued liability as of 31 March 2022. The Group evaluates these assumptions annually based on its long-term plans of growth and industry standards.

Plan assets:

The plan assets comprise of debt and equity securities through a scheme of cash contribution for a scheme of Insurance taken with Kotak Mahindra Life Insurance Company Ltd. ('Insurer'), which is a qualified insurer. The details of individual category of investments that comprise of the total plan assets have not been provided by the insurer.

Impact on defined benefit obligation

	As at	
	31 March 2022	31 March 2021
Assumptions		
Sensitivity level		
- Attrition rate : increase by 1 %	189.28	128.87
- Attrition rate : decrease by 1 %	(190.00)	(128.50)
- Salary escalation : increase by 1 %	203.50	140.47
- Salary escalation : decrease by 1 %	(177.18)	(118.29)
- Discount rate : increase by 1 %	(175.48)	(118.65)
- Discount rate : decrease by 1 %	205.95	140.35

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Maturity profile of defined benefit obligation

	As at	
	31 March 2022	31 March 2021
Within 1 year	15.35	14.94
2 - 5 years	71.08	67.55
6 - 10 years	92.43	78.27

The Group provides compensated absences benefits to the employees of the Group which can be carried forward to future years. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. During the period ended 31 March 2022, the Group has incurred an expense on compensated absences amounting to ₹22.77 (31 March 2021 ₹23.39). The Group determines the expense for compensated absences basis the actuarial valuation, using the Projected Unit Credit Method.

Code on Social Security, 2020:

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its revised financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

26 Finance costs

	For the year ended	
	31 March 2022	31 March 2021
Interest on borrowings	178.94	155.40
Interest expense on lease liability	27.84	25.96
Other borrowing cost*	28.29	-
	235.07	**181.36**

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

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27 Other expenses

	For the year ended	
	31 March 2022	31 March 2021
Direct expenses:		
Consumption of chemicals and spares	2,001.27	1,646.14
Job work charges	62.58	89.92
Subscription fees	111.96	103.64
Other direct expenses	119.60	93.70
Indirect expenses:		
Power and fuel	436.05	364.45
Rent	4.54	32.67
Repairs and maintenance		
- Buildings	37.54	20.87
- Machinery	203.87	175.29
- Others	60.69	57.49
Insurance	35.93	37.23
Bank charges	21.40	11.97
Rates and taxes	35.99	45.42
Communication expenses	12.74	18.76
Contract services	107.25	97.88
Office maintenance expenses	144.55	151.14
Travelling and conveyance	52.33	33.35
Consultancy and professional charges (refer note a below)	252.90	109.15
Corporate social responsibility expenditure (refer note 45)	28.73	60.71
Printing and stationery	3.81	1.90
Carriage outwards	41.34	67.00
Effluent treatment charges	63.48	39.77
Loss of sale of asset	2.00	-
(Reversal)/provision for loss allowance (refer note 10)	(22.42)	37.83
Foreign exchange fluctuations, net	-	18.74
Business development expenses	83.23	72.75
Water charges	28.26	20.95
Miscellaneous expenses	45.80	58.89
	3,975.42	**3,467.61**

(a) Payments to the auditor (excl. taxes)

	For the year ended	
	31 March 2022	31 March 2021
-As Auditor		
- statutory audit fee (including fees for undertaking limited reviews)	5.40	4.15
- certification	0.87	0.57
-For reimbursement of expenses	0.15	0.15
-For other matters	-	0.63
	6.42	**5.50**

28 Income taxes

A. Tax expense in the statement of profit and loss

	For the year ended	
	31 March 2022	31 March 2021
Current taxes	640.40	520.44
Current tax relating to prior years	20.81	1.54
Deferred taxes	37.82	4.27
Tax expense reported in the statement of profit or loss	**699.03**	**526.25**

Tax expense charged to OCI

	For the year ended	
	31 March 2022	31 March 2021
Tax related to items in OCI during the year:		
Deferred tax impact due to remeasurements of Hedging Contracts	(1.61)	(114.19)
Current tax impact due to remeasurements of defined benefit plans	(1.98)	2.29
Tax expense reported in OCI	**(3.59)**	**(111.90)**

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

B. Non-current tax assets, net

	As at	
	31 March 2022	31 March 2021
Advance tax, (net of provision for tax ₹1,778.76 (31 March 2021 ₹1,277.70) (refer note below)	331.51	253.11
	331.51	**253.11**

C. Current tax liabilities, net

	As at	
	31 March 2022	31 March 2021
Provision for tax, (net of advance tax ₹1,957.39 (31 March 2021 ₹1,679.13) (refer note below)	157.06	147.46
	157.06	**147.46**

Note

Includes an amount paid under protest of ₹ 35.09 (31 March 2021: ₹ 35.09)

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28 Income taxes (continued)

D. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2022 and 31 March 2021

	For the year ended	
	31 March 2022	**31 March 2021**
Accounting profit before tax	2,673.66	2,808.30
At India's statutory income tax rate of 25.168% (31 March 2021: 25.168%)	672.91	706.79
Differences in tax rates in foreign jurisdictions	-	40.43
Utilisation of previously unrecognised tax losses	-	(88.81)
Tax impact due to SEZ benefit availment	-	(91.80)
MAT credit entitlement	-	7.92
Non-deductible expenses for tax purposes	17.61	15.83
Tax incentive	(14.78)	-
Exempt Income	(3.03)	31.90
Tax losses / Profits for which no deffered income tax was recognised	33.82	-
Current tax relating to prior years	20.81	(2.19)
Others	(28.31)	10.75
Total tax expense	**699.03**	**630.82**
Income tax expense reported in the statement of profit and loss	**699.03**	**630.82**

E Deferred tax assets, net

	As at	
	31 March 2022	**31 March 2021**
The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities are as follows:		
Deferred income tax liabilities		
Property, plant and equipment	147.53	213.89
Derivative instruments	36.27	34.66
Leases	-	
Others	3.53	1.37
	187.33	**249.92**
Deferred income tax assets		
Accrued compensation to employees	52.16	59.28
Impairment allowance on trade receivables	19.65	63.48
Statutory bonus	0.38	0.24
Others	27.99	13.28
Minimum Alternative Tax (MAT) credit entitlement		180.06
Leases	3.46	-
	103.64	**316.34**
Deferred tax (liabilities)/assets, net	**(83.69)**	**66.42**

F Reconciliation of deferred tax assets/(liabilities) (net):

	As at	
	31 March 2022	**31 March 2021**
Balance at the beginning of the year	**66.42**	**98.25**
On account of Business combination (refer note 36)	(50.75)	(131.11)
On account of composite scheme of arrangement (refer note 47)	(59.93)	202.02
Utilisation of MAT credit	-	6.10
Tax income/(expense) during the period recognised in profit or loss	(37.82)	5.35
Tax income/(expense) during the period recognised in OCI	(1.61)	(114.19)
Balance at the end of the year	**(83.69)**	**66.42**

Deferred tax assets and deferred tax liabilities have been offset wherever the Group has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

The Government of India, on 20 September 2019, vide the Taxation Laws (Amendment) Ordinance 2019, the Ordinance inserted a new Section 115BAA in the Income tax Act, 1961, which provides an option to the Group for paying Income tax at reduced rates as per the provisions/conditions defined in the Said section. The holding Company has availed the new tax rates effective FY 2021.

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29 Earnings per Equity share (EPES)

Basic EPS amount are calculated by dividing the profit 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 income and share data used in the basic EPS computations:

	For the year ended	
	31 March 2022	**31 March 2021**
Profit for the year attributable to equity holders of parent- Continuing Operations	1,960.70	1,642.77
Profit for the year attributable to equity holders of parent- Discontinued Operations	-	321.82
Weighted average number of equity shares in calculating basic EPS	6,71,50,371	6,61,80,000
Nominal value per equity share	10.00	10.00
Effect of dilution:		
-Stock options granted under ESOP	7,67,830	16,64,557
Weighted average number of equity shares used in computation of diluted EPS*	**6,79,18,201**	**6,78,44,557**

*The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year. There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of theses revised financial statements.

Earnings per Equity share (EPES) for continuing operations	**31 March 2022**	**31 March 2021**
Basic	29.20	24.82
Diluted	28.87	24.21

Earnings per share (EPS) for discontinued operations	**31 March 2022**	**31 March 2021**
Basic	-	4.86
Diluted	-	4.74

Earnings per share (EPS) for continuing and discontinued operations	**31 March 2022**	**31 March 2021**
Basic	29.20	29.68
Diluted	28.87	28.95

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30 (i) Breakup of financial assets and financial liabilities carried at amortized cost

	As at	
	31 March 2022	**31 March 2021**
Financial assets		
Loans	1.24	2.44
Trade receivables	2,431.51	2,547.92
Cash and cash equivalents	2,281.29	1,295.93
Bank balances other than above	1,408.48	1,784.68
Other financial assets	503.06	129.28
Total	**6,625.58**	**5,760.25**
Financial liabilities		
Non-current borrowings	4,402.28	1,349.17
Lease liability	466.31	494.15
Current borrowings	805.79	1,321.28
Trade payables	1,263.17	1,140.91
Other financial liabilities	1,534.22	830.76
Total	**8,471.77**	**5,136.27**

(ii) Breakup of financial assets and financial liabilities carried at fair value through profit and loss

	As at	
	31 March 2022	**31 March 2021**
Financial Asset		
Investments	1.86	1.83
Financial Liability		
Derivative instruments	6.73	11.89

(iii) Breakup of financial assets and financial liabilities carried at fair value through Other comprehensive income

	As at	
	31 March 2022	**31 March 2021**
Financial Asset		
Derivative Instruments	144.10	145.28
Financial Liability		
Derivative Instruments	-	-

(i) The Group's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables, cash and cash equivalents and other bank balances that derive directly from its operations. The Group also holds FVTPL (Fair value through profit and loss) investments.

(ii) The carrying amounts of trade receivables, trade payables and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature. Difference between carrying amounts and fair values of bank deposits, earmarked balances with banks, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented. For all other amortised cost instruments, carrying value represents the best estimate of fair value. For the financial assets measured at fair values, the carrying amounts are equal to the fair values.

(iii) The preparation of the Group's revised 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.

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31 Significant accounting judgements, estimates and assumptions

Judgements

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty 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 Group based its assumptions and estimates on parameters available when the revised 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 Group. Such changes are reflected in the assumptions when they occur.

Leases

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

The Group 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 Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group 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 Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group 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.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using internal valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 13.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets measured at amortised cost.

Group has a policy of providing loss allowance for trade receivables which are aged for more than 180 days

Loss allowance for financial assets measured at amortised cost are deducted from gross carrying amount of the assets.

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31 Significant accounting judgements, estimates and assumptions (continued)

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the forecast for future years. These do not include restructuring activities that the Group 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 Group.

Revenue recognition –

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

Revenue from milestone based research activities is recognized when earned, as evidenced by written acknowledgment from the collaborator or other persuasive evidence that the milestone has been achieved, provided that the milestone event is substantive. A milestone event is considered to be substantive if its achievability was not reasonably assured at the inception of the arrangement and the Group's efforts led to the achievement of the milestone (or if the milestone was due upon the occurrence of a specific outcome resulting from the Group's performance). Events for which the occurrence is either contingent solely upon the passage of time or the result of counterparty's performance are not considered to be milestone events. If both of these criteria are not met, the milestone payment is recognized over the remaining minimum period of the Group's performance obligations under the arrangement. The Group assesses whether a milestone is substantive at the inception of each arrangement.

32 Financial risk management objectives and policies

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

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

(i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk for the Group comprises primarily of currency and interest rate risk. Financial instruments affected by market risk include trade and other receivables and derivatives, trade payables and borrowings. The sensitivity analyses in the following sections relate to the position as at 31 March 2022 and 31 March 2021. The sensitivity analyses have been prepared on the basis that the amount of trade and other receivables in foreign currencies and investments are all constant and on the basis of hedge designations in place at 31 March 2022.

The following assumptions have been made in calculating the sensitivity analyses:

(1) The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2022 and 31 March 2021. Refer note 16 (iv) for interest rate sensitivity analysis.

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32 Financial risk management objectives and policies (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group and the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk relates primarily to the floating interest rate borrowings. The Group's investment in deposits with banks are for short durations and therefore do not expose the Group to significant interest rate risk. Further, the loans extended by the Group carries a fixed interest rate and therefore not subject to interest rate risk since neither the carrying value nor the future cash flows will fluctuate because of the change in market interest rates.

The Group's exposure to changes in interest rates relates primarily to the Group's outstanding floating rate debt. A major portion of foreign currency debt is linked to international interest rate benchmarks like SOFR. The Group also hedges a major portion of these risks by entering into derivative instruments like interest rate swaps and currency swaps and hence is not exposed to significant interest rate risk. Refer note 16(iv) for interest rate sensitivity.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 - 24 months period for hedges of forecasted sales and purchases.

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

At 31 March 2022, the Group hedged 93% (31 March 2021: 58%), for 12 months, of its expected foreign currency sales. Those hedged sales were highly probable at the reporting date. This foreign currency risk is hedged by using foreign currency forward contracts.

The following are the outstanding forward exchange contracts entered into by the Group in foreign currency:

	As at	
	31 March 2022	**31 March 2021**
Currency forwards		
Foreign exchange forward contracts designated at FVTOCI (Cashflow hedge) (USD in Million)	178.70	91.35
Foreign exchange forward contracts designated at FVTOCI (Cashflow hedge) (₹ in Million) - at MTM	144.10	145.28
Foreign exchange forward contracts designated at FVTPL (Fair value hedge) (USD in Million)	1.80	6.10
Foreign exchange forward contracts designated at FVTPL (Fair value hedge) (₹ in Million) - at MTM	1.84	1.32
Foreign exchange forward contracts designated at FVTPL (Interest rate swaps) (USD in Million)	(16.98)	(5.81)
Foreign exchange forward contracts designated at FVTPL (Interest rate swaps) (₹ in Million) - at MTM	(8.57)	(13.21)

Foreign currency sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in USD, GBP and Euro exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The Group's exposure to foreign currency changes for all other currencies is not material.

	For the year ended	
	31 March 2022	**31 March 2021**
Change in USD rate - 5% increase		
-Effect on PBT and equity	16.70	38.35
Change in USD rate - 5% decrease		
-Effect on PBT and equity	(16.70)	(38.35)
Change in GBP rate - 5% increase		
-Effect on PBT and equity	(0.00)	(0.85)
Change in GBP rate - 5% decrease		
-Effect on PBT and equity	0.00	0.85
Change in Euro rate - 5% increase		
-Effect on PBT and equity	(0.10)	3.37
Change in Euro rate - 5% decrease		
-Effect on PBT and equity	0.10	(3.37)

The movement in the pre-tax effect is a result of a change in the fair value of derivative financial instruments not designated in a hedge relationship and monetary assets and liabilities denominated in US dollars, GBP and Euro rates, where the functional currency of the entity is a currency other than those currencies. Although the derivatives have not been designated in a hedge relationship, they act as an economic hedge and will offset the underlying transactions when they occur.

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32 Financial risk management objectives and policies (continued)

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The carrying amount of the Financial assets represents the maximum credit risk exposure.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The Group has a policy of providing for all aged receivables for more than 180 days.

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

Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Group's finance team in accordance with the Holding 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 Group's Board of directors on annual basis.

(iii) Liquidity risk

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

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

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

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

The carrying value of the Group's financial liabilities are disclosed in note 3A and note 16, 18 and 19 of the revised consolidated financial statements.

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

	As at	
	31 March 2022	**31 March 2021**
On demand		
- Borrowings	32.35	9.65
Less than 1 year		
- Borrowings (including current maturities of long term borrowings)	773.44	1,311.63
- Other financial liabilities (excluding current maturities of long term borrowings)	1,536.95	842.65
- Trade payables	1,263.17	1,140.91
- Lease liabilities	141.26	130.08
1 to 2 years		
- Borrowings	846.67	369.17
- Lease liabilities	122.03	100.95
2 to 5 years		
- Borrowings	3,442.51	980.00
- Lease liabilities	176.88	234.10
> 5 years		
- Borrowings	113.10	-
- Lease liabilities	347.48	387.33

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32 Financial risk management objectives and policies (continued)

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 Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Group to manage risk concentrations at both the relationship and industry levels.

Collateral

The Group has pledged part of its short-term deposits in order to fulfil the collateral requirements for the borrowings availed. At 31 March 2022, 31 March 2021 the fair values of the short-term deposits pledged were ₹6.70, ₹10.65 respectively. The counterparties have an obligation to return the securities to the Group. The Group has an obligation to repay the deposit to the counterparties upon settlement of the contracts. There are no other significant terms and conditions associated with the use of collateral.

33 Capital management

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

The Group 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 Group may adjust the dividend payment to shareholders, issue bonus shares to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to maintain optimum gearing ratio. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and bank balances.

	As at	
	31 March 2022	**31 March 2021**
Borrowings (Note 16)	5,208.07	2,670.45
Trade payables (Note 18)	1,263.17	1,140.91
Other financial liabilities (Note 19)	1,540.95	842.65
Lease liabilities (Note 3A)	466.31	494.15
Less: cash and bank balances (Note 11)*	(4,095.99)	(3,083.31)
Net debt	**4,382.51**	**2,064.85**
Equity	10,834.99	9,875.88
Total equity	**10,834.99**	**9,875.88**
Gearing Ratio	**40%**	**21%**

* Includes Fixed deposits maturing after 12 months from the balance sheet date (refer note 8).

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

34 Hedging activities and derivatives

Derivatives not designated as hedging instruments

The Group uses foreign currency denominated borrowings and foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to twelve months.

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35 Information about subsidiaries

The revised consolidated financial statements of the Group includes subsidiaries listed in the table below:

Name	Principal activities	Country of Incorporation	% equity interest as at	
			31 March 2022	31 March 2021
Aragen Bioscience, Inc.	Contract research and development services	United States of America	100.00%	100.00%
Aragen Lifesciences B.V. Netherlands *(formerly GVK Biosciences B.V.)*	Contract research and development services	Netherlands	100.00%	100.00%
GVK Bio Sciences Private Limited Employees Welfare Trust	Employee welfare	India	100.00%	100.00%
Intox Private Limited*	Toxicology and related research services	India	76.00%	0.00%
Aragen Foundation	Corporate Social Responsibility activities of Group	India	100.00%	NA
Excelra Knowledge Solutions Private Limited**	Data Curation Services	India	-	60.56%
GVK Davix Research Private Limited**	Contract research and development services and Data Curation Services	India	-	100.00%
GVK Biosciences Inc.,**	Contract research and development services	United States of America	-	100.00%

* Includes the equity interest on 19.28% considered as deferred consideration (refer note 36)

** Refer note 47 on composite scheme of arrangement

36 Business combinations and acquisition of non-controlling interests

Acquisitions during the year ended 31 March 2022

a Acquisition of Intox Private Limited

On 13 December 2021, the Group acquired 56.82% of equity stake in Intox Private Limited ("Intox"). The acquisition was executed through a share purchase agreement ("SPA") and the Group has also agreed to acquire the balance stake upto 100% in a phased manner.

Intox is a reputed GLP certified pre-clinical contract research organization (CRO) with its test facilities in Pune, India. It has conducted more than 15,000 GLP studies for global clients which include large and mid-sized customers across pharmaceuticals, biopharmaceuticals, plant protection, nutraceuticals, and medical devices. This acquisition will expand Aragen's end-to-end integrated discovery and development platform for the pharmaceuticals, biotechnology, animal health and agrochemicals industries. It will enable the Group to conduct safety assessment studies from a Good Laboratory Practice (GLP)-certified facility for submission to regulatory agencies such as the United States Food and Drug Administration (USFDA), the United States Environment Protection Agency (USEPA), the European Medicines Agency (EMA), and others globally.

As per the terms of SPA, the Group has control over 76% of the equity interest of Intox with purchase consideration to be paid in two tranches. The Group has paid the tranche-I consideration during the year and will pay the balance tranche-II consideration computed per terms as per SPA before 31 July 2022. The group has accounted for tranche-II as a contingent consideration based on fair valuation and expected payout.

The fair value of net assets acquired on the acquisition date as part of the transaction amounted to ₹ 726.60 and the excess of purchase consideration (incl tranche-II consideration) has been attributed towards goodwill.

Component	Fair value as on acquisition date
Property, plant and equipment	154.08
Capital work-in-progress	18.51
Other net assets	264.72
Intangible assets - Customer relationship/contracts	228.00
Deferred tax liabilities on Intangible assets	(57.38)
Cash and cash equivalents	118.65
Total	**726.58**
Non-controlling interest	(499.00)
Goodwill	1,353.40
Total Purchase price	**1,580.98**

Total consideration	Amount
Purchase consideration paid for 56.82% equity stake	1,073.98
Deferred consideration for 19.28% equity stake	507.00
Total consideration	**1,580.98**

The intangible assets are amortised over a period of five years as per management's estimate of its useful life, based on the life over which economic benefits are expected to be realised.

Impact of acquisition on the results of the Group:

Revised consolidated financial statements for the year ended 31 March 2022 includes the following revenue and profit generated from the new acquisitions:

Enity name	Total Income	Profit for the year
Intox Private Limited	179.71	58.05

The Company has entered into a put option agreement for the balance 24 % equity stake of Intox Private Limited. This has been accounted for as a derivative instrument and the fair value of put option as at 31 March 2022 is ₹ 4.00.

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Acquisitions during the year ended 31 March 2021

b Acquisition of An-I-it-iks Inc.,

Excelra Inc., a subsidiary of Excerla knowledge solutions private limited, has acquired control of An-I-it-iks Inc. through purchase of 55% shares on 19 February 2021. The business acquisition was conducted by entering into a share purchase agreement for a total consideration of ₹544.04 on the acquisition date, which includes a cash consideration of ₹438.58 and deferred consideration of up to ₹105.46. The non-controlling interest is recognised at the proportionate share of the acquiree's identifiable net assets.

The fair value of net assets acquired on the acquisition date as part of the transaction amounted to ₹ 455.89 and the excess of purchase consideration has been attributed towards goodwill.

Component	Fair value as on acquisition date
Property, plant and equipment, net	0.89
Other receivables	29.35
Cash and bank balances	166.05
Identified intangible assets	
Developed technology	358.48
Customer relations	10.66
Trademark	10.73
Non-compete agreement	71.89
Deferred tax liabilities on identified intangible assets	(135.53)
Current liabilities	(56.63)
Total	**455.89**
Non-controlling interest	(205.15)
Goodwill recognised	293.30
Total Purchase price	**544.04**

Total consideration	Amount
Consideration transferred	438.58
Deferred consideration	105.46
Total purchase consideration	**544.04**

Impact of acquisition on the results of the Group:

Particulars	For the year ended 31 March 2021
Revenue from operations	54.89
Net profit considered in consolidated statement of profit and loss	15.96

c Acquisition of GVK Davix Research Private Limited

GVK Davix Technologies Private Limited has acquired control of GVK Davix Research Private Limited through purchase of 100% shares on 20 January 2021. The business acquisition was conducted for a total cash consideration of ₹0.60 on the acquisition date.

Component	Fair value as on acquisition date
Net assets identified	
Cash and bank balances	0.23
Other receivables	1.38
Other Liabilities	(1.19)
Total	**0.41**
Non-controlling interests	-
Goodwill recognised	0.19
Total Purchase price	**0.60**

Total consideration	Amount
Consideration transferred	0.60
Total purchase consideration	**0.60**

Impact of acquisition on the results of the Group:

Particulars	For the year ended 31 March 2021
Revenue from operations	2.12
Net profit considered in consolidated statement of profit and loss	0.35

37 Additional information pursuant to para 2 of general instructions for the preparation of the Revised Consolidated Financial Statements for the year ended 31 March 2022

Name of the entity	As at 31 March 2022		For the year ended 31 March 2022					
	Net assets		Share in profit or loss		Share in OCI		Share in Total Comprehensive Income ("TCI")	
	As a % of consolidated net assets	Amount (₹)	As a % of consolidated profit or loss	Amount (₹)	As a % of consolidated OCI	Amount (₹)	As a % of consolidated TCI	Amount (₹)
Holding Company								
Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)*	96.1%	10,410.05	107.0%	2,112.66	-176.8%	10.40	107.8%	2,123.06
Trust								
GVK Bio Sciences Private Limited Employees Welfare Trust	0.1%	12.65	0.0%	0.73	0.0%	-	0.0%	0.73
Domestic Subsidiaries								
Intox Private Limited	0.2%	24.92	2.2%	44.12	-10.3%	0.60	2.3%	44.72
Aragen Foundation	0.0%	0.02	0.0%	(0.08)	0.0%	-	0.0%	(0.08)
Foreign subsidiaries								
Aragen Bioscience, Inc.	4.5%	491.43	-8.1%	(159.43)	0.0%	-	-8.1%	(159.43)
Aragen Lifesciences B.V. (formerly GVK Biosciences B.V.) Netherlands	0.0%	3.28	0.5%	9.47	0.0%	-	0.5%	9.47
Sub Total		**10,942.35**		**2,007.47**		**11.00**		**2,018.47**
Adjustment arising out of consolidation	-5.7%	(620.43)	-2.4%	(46.77)	289.3%	(17.02)	-3.2%	(63.79)
Non-controlling interest in subsidiaries	4.7%	513.07	0.7%	13.93	-2.4%	0.14	0.7%	14.07
Total		**10,834.99**		**1,974.63**		**(5.88)**		**1,968.75**

Additional information pursuant to para 2 of general instructions for the preparation of the Revised Consolidated Financial Statements for the year ended 31 March 2021

Name of the entity	As at 31 March 2021		For the year ended 31 March 2021					
	Net assets		Share in profit or loss		Share in OCI		Share in Total Comprehensive Income ("TCI")	
	As a % of consolidated net assets	Amount (₹)	As a % of consolidated profit or loss	Amount (₹)	As a % of consolidated OCI	Amount (₹)	As a % of consolidated TCI	Amount (₹)
Holding Company								
Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)*	84.1%	8,302.99	67.8%	1,476.21	102.2%	332.79	72.3%	1,809.00
Trust								
GVK Bio Sciences Private Limited Employees Welfare Trust	0.1%	11.92	0.2%	3.55	0.0%	-	0.1%	3.55
Foreign subsidiaries								
Aragen Bioscience, Inc.	6.4%	627.82	14.4%	313.57	0.0%	-	12.5%	313.57
Aragen Lifesciences B.V. (formerly GVK Biosciences B.V.) Netherlands	-0.1%	(6.08)	0.5%	10.62	0.0%	-	0.4%	10.62
Subsidiaries of Parent								
Indian subsidiaries								
Excelra Knowledge Solutions Private Limited (Consolidated)	17.0%	1,682.54	24.8%	539.82	0.0%	(0.02)	21.6%	539.80
GVK Davix Research Private Limited	0.0%	0.63	0.0%	0.22	0.0%		0.0%	0.22
Foreign subsidiaries								
GVK Biosciences Inc	0.6%	61.36	-0.3%	(6.40)	0.0%		-0.3%	(6.40)
Sub Total		**10,681.18**		**2,337.59**		**332.77**		**2,670.36**
Adjustment arising out of consolidation	-16.2%	(1,597.04)	-17.1%	(373.00)	-2.2%	(7.21)	-15.2%	(380.21)
Non-controlling interest in subsidiaries	8.0%	791.74	9.8%	212.89	0.0%	-	8.5%	212.89
Total	100.0%	**9,875.88**	100.0%	**2,177.48**	100.0%	**325.56**	100.0%	**2,503.04**

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38 Segment information

Operating segments

The Chief Operating Decision Maker ("CODM") evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by industry classes. Based on Group's business model, providing contract research and development services has been considered as the only reportable business segment and hence no separate financial disclosures are provided in respect of its single business segment.

Geographical information

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

Segment revenue

	For the year ended	
	31 March 2022	31 March 2021
Europe	2,978.61	2,517.84
India	1,030.61	560.67
North America	7,774.81	6,654.30
Rest of the world	2,089.58	1,599.98
	13,873.61	11,332.79

Non-current operating assets

	As at	
	31 March 2022	31 March 2021
India	11,107.14	6,941.03
United States of America	631.32	1,413.48
Total non-current operating assets	11,738.46	8,354.51

*Non-current operating assets includes all the items except financial assets and tax related assets.

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39 Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

		Fair value measurement using			
	Date of Valuation	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2022:					
Assets measured at fair value					
Derivative financial assets / (liabilities) (refer note 8 and note 19)	31 March 2022	-	137.37	-	137.37
Investments (refer note 6)	31 March 2022	0.01	-	1.85	1.86
Put option liability (refer note 19)	31 March 2022	-	-	4.00	4.00
Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2021:					
Assets measured at fair value					
Derivative financial assets / (liabilities) (refer note 8 and note 19)	31 March 2021	-	133.39	-	133.39
Investments (refer note 6)	31 March 2021	0.01	-	1.82	1.83

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40 Commitments

	As at	
	31 March 2022	**31 March 2021**
Estimated amount of contracts amounting to be executed on capital account and not provided for (net of advances)	1,123.73	1,427.00

41 Contingent liabilities

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

Claims against the Group not acknowledged as debts in respect of:

	As at	
	31 March 2022	**31 March 2021**
(a) Income tax matter under dispute	1,231.97	1,356.58
(b) Service tax matter under dispute	1.89	4.35
(c) Central Sales tax matter under dispute	1.45	1.85
(d) Customs matter under dispute	4.27	4.27
(e) Provident fund matter under dispute	-	4.58

In addition to the above, the Company has below mentioned claims/contingent liabilities against the Company:

The Group has received a show cause notice challenging classification of R&D services as export of services for the period from 1 April 2006 to 30 Jun 2017 (tax liability computed by department is ₹2,409.70). The Group has submitted its reply disputing department claim and based on merits of the claim and favourable judgements Group has not made any provision in the books.

The Group has received a show cause notice, challenging certain compliance requirements under the GST law for the period from 1 July 2017 to 28 May 2018 (tax liability computed by department is ₹9.36). Group is in the process of compiling the reply disputing department claim and based on merits of the claim, the Group has not made any provision in the books.

The Group has an ongoing litigation of certain portion of land in Mallapur which the Group has bought from APIIC. The matter is stayed by the High Court until disposal of appeal at the lower court.

42 Related party disclosures

a) Name of related parties and nature of relationship

Names of the related parties	**Nature of relationship**
Aragen Bioscience, Inc.	Wholly-owned Subsidiary Company
Aragen Lifesciences B.V. (formerly known as GVK Biosciences B.V.)	Wholly-owned Subsidiary Company
Aragen Foundation	Wholly-owned Subsidiary Company
Intox Private Limited	Subsidiary Company
Excelra Knowledge Solutions Private Limited (till 01.04.2021)	Subsidiary Company
GVK Davix Research Private Limited (till 01.04.2021)	Subsidiary Company
Mr. Davinder Singh Brar	Key management personnel (KMP)
Mr. G V Sanjay Reddy	KMP
Mr. Manmahesh Kantipudi	KMP
Mr. Sahajbir Singh Brar	Director
Mr. Gerhard Mayr	Director
Mr. Ajay Srivastava (w.e.f. 20.05.2021)	Director
Mr. Adam Richard Dawson (w.e.f. 31.05.2021)	Director
Mr. Rajat Sood (w.e.f. 19.05.2021)	Director
Mr. Robert Richard Ruffolo	Director
Mr. Keshav Gunupati Venkat Reddy	Director
Ms. G Indira Krishna Reddy	Director
Mr. Sachin Anand Dharap (w.e.f. 17.03.2021)	Chief Financial Officer
Mr. Paresh Gupta (till 13.10.2020)	Chief Financial Officer
Mr. Ramakrishna Kasturi	Company Secretary
GVK Biosciences, Inc. GVK Davix Research Private Limited (w.e.f. 02.04.2021) Madhubani Investments Private Limited Reddy Investment Trust ORBIT Travel and Tours Private Limited Taj GVK Hotels and Resorts Limited Srini Pharmaceuticals Private Limited Dimensions Corporate Finance Services Private Limited GVK Foundation	Enterprises owned or significantly influenced by individuals who have control / significant influence over the Company.

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42 Related party disclosures (continued)

b) Transactions with related parties

	For the year ended	
	31 March 2022	**31 March 2021**
Remuneration of KMPs:		
Mr. G V Sanjay Reddy	-	22.59
Mr. Davinder Singh Brar	-	22.59
Mr. Gerhard Mayr	4.53	2.26
Mr. Manmahesh Kantipudi	54.84	34.29
Mr. Sachin Anand Dharap	18.20	0.73
Mr. Paresh Gupta	-	8.10
Mr. Ramakrishna Kasturi	6.96	5.57
Mr. Robert Richard Ruffalo	4.47	-
Perquisite value of ESOPs exercised during the year		
Mr. Manmahesh Kantipudi	382.72	-
Mr. Ramakrishna Kasturi	9.24	-
Mr. Gerhard Mayr	117.84	-
Directors sitting fee		
Mr. Sahajbir Singh Brar	0.26	0.17
Mr. G V Sanjay Reddy	0.25	0.19
Mr. Davinder Singh Brar	0.30	0.19
Ms. G Indira Krishna Reddy	0.40	0.13
Mr. Manmahesh Kantipudi	0.25	0.15
Mr. Ajay Srivastava	0.35	-
Mr. Gerhard Mayr	0.28	0.16
Mr. Keshav Gunupati Venkat Reddy	0.25	0.15
Mr. Robert Richard Ruffalo	0.34	0.16
Dividends		
Mr. Davinder Singh Brar	-	75.40
GVK Davix Technologies Private Limited	-	242.93
Unsecured Loans taken during the year (refer note 47)		
Mr. Davinder Singh Brar	-	0.93
Madhubani Investments Private Limited	11.35	3.90
Reddy Investment Trust	11.35	4.83
Interest on Loans outstanding (refer note 47)		
Mr. Davinder Singh Brar	(0.08)	(0.02)
Madhubani Investments Private Limited	(0.36)	(0.10)
Reddy Investment Trust	(0.17)	(0.03)
Reimbursement of Expenses relating to Sale of shares		
Mr. Davinder Singh Brar	2.13	-
Reddy Investment Trust	2.13	-
Transactions with entity in which KMP have a significant influence - GVK Biosciences, Inc.		
Advance received during the year	(14.53)	-
Transactions with entity in which KMP have a significant influence - GVK Davix Research Private Limited		
Shared services provided	1.35	-
Rental Income	0.03	-
Transactions with entity in which KMP have a significant influence - Srini Pharmaceuticals Private Limited		
Job work Charges	(18.64)	(2.92)
Transactions with entity in which KMP have a significant influence - Dimensions Corporate Finance Services Private Limited		
Consultancy services	(29.10)	-
Reimbursement exp	(0.29)	-
Transactions with entity in which KMP have a significant influence - Taj GVK Hotels and Resorts Limited		
Hotel expenses	(0.68)	(0.19)
Transactions with entity in which KMP have a significant influence - ORBIT Travel and Tours Private Limited		
Travelling and conveyance	-	(0.03)
Transactions with entity in which KMP have a significant influence - GVK Foundation		
Corporate social responsibility expenditure	(0.42)	-

* The managerial personnel are covered by the Group's gratuity policy & are eligible

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42 Related party disclosures (continued)

c) Balances receivable/(payable)

	As at	
	31 March 2022	**31 March 2021**
GVK Biosciences, Inc.	14.48	-
GVK Biosciences, Inc. (Advance received)	(14.53)	-
GVK Davix Research Private Limited	1.37	-
Srini Pharmaceuticals Private Limited	(2.56)	(0.52)
Taj GVK Hotels and Resorts Limited	(0.06)	(0.01)
Dimensions Corporate Finance Services Private Limited	(6.64)	-
Mr. Davinder Singh Brar	(0.97)	(22.59)
Mr. G V Sanjay Reddy	(0.05)	(22.59)
Mr. Manmahesh Kantipudi	(0.05)	-
Mr. Gerhard Mayr	(4.97)	(2.26)
Mr. Ajay Srivastava	(0.05)	-
Mr. Robert Richard Ruffalo	(1.20)	-
Mr. Sahajbir Singh Brar	(0.03)	-
Mr. G V Keshav Reddy	(0.05)	-
Ms. G Indira Krishna Reddy	(0.05)	-
Madhubani Investments Private Limited	(15.25)	(3.90)
Reddy Investment Trust	(16.18)	(4.83)

Terms and conditions of transactions with related parties

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

Directors' interests in the employee stock option plan

Share options held by executive members of the Board of Directors under the employee stock option plan to purchase equity shares have the following expiry dates and exercise prices:

Grant date	Expiry date	Exercise price	31 March 2022	31 March 2021
			Number outstanding	
7 July 2007	6 July 2011	10.00	2,55,000	2,55,000
10 October 2009	10 October 2013	30.00	-	1,00,000
1 November 2011	31 October 2015	50.00	72,000	72,000
16 April 2012	16 April 2016	50.00	-	40,000
25 July 2012	24 July 2016	93.75	-	1,68,000
24 August 2013	23 August 2017	100.00	-	96,000
21 August 2014	20 August 2018	136.25	-	84,000
20 October 2015	19 October 2019	136.25	-	84,000
20 October 2015	19 October 2019	170.00	-	40,800
24 June 2016	23 June 2020	200.00	-	34,000
1 July 2017	30 June 2021	235.40	2,18,986	2,18,986
1 July 2021	30 June 2022	235.40	65,514	-
Total			**6,11,500**	**11,92,786**

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43 Details of expenditure incurred, Capital and Revenue, in Research and Development is as under:

Capital expenditure

	For the year ended	
	31 March 2022	**31 March 2021**
Additions to laboratory equipment	-	-
	-	-

Revenue expenditure (Included under appropriate heads in Statement of Profit and Loss)

	For the year ended	
	31 March 2022	**31 March 2021**
Cost of material consumed	25.76	52.47
Salaries and wages	12.28	14.87
Chemicals and spares	0.55	0.80
	38.59	**68.14**

44 Unhedged foreign currency exposure

	As at	
	31 March 2022	**31 March 2021**
Receivables		
United States Dollar	2,221.82	2,334.82
Great Britain Pound	3.65	4.83
Euro	39.67	103.82
Canadian Dollar	-	4.35
Australian Dollar	-	0.13
Others	-	0.01
Payables		
United States Dollar	1,887.81	1,567.83
Great Britain Pound	3.74	21.83
Euro	41.64	36.46
Swiss Franc	1.29	9.89

45 Corporate social responsibility expenditure (CSR)

The Group has formulated a Corporate Social Responsibility Committee to undertake the mandatory corporate social responsibility activities in accordance with the provisions of the Act. The details of the amounts spent during the current year are as follows:

	For the year ended	
	31 March 2022	**31 March 2021**
Expenditure on CSR Activities:		
Balance unspent CSR at the beginning of the year	-	39.58
(a) Gross amount required to be spent by the Company during the year	27.02	20.58
(b) Amount approved by the Board to be spent during the year	27.02	20.58
(c) Amount spent by the Company		
(i) For Construction/acquisition of asset	0.50	-
(ii) For Contribution to Covid related measures*	3.05	60.00
(iii) Other than (i) & (ii) above	3.34	0.71
Balance unspent /(Excess) CSR amount in cash at the end of the year	**20.13**	**(0.55)**
(d) Reason for unspent amount at the end of year	On-going projects	NA
(e) Amount subsequently transferred to Unspent CSR designated bank account towards ongoing projects	20.63	-
(f) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	20.63	NA

* includes an amount of ₹0.42 (31 March 2021: ₹ Nil) contributed to a related party, GVK Foundation in relation to CSR expenditure.

Nature of CSR activities:

Promoting "Education and Literacy" to the under privileged children, supporting socially backward people and helping the differently abled people. Providing emergency medical care, preventive health care, sanitization and safe drinking water.
Ensuring environmental sustainability, ecological balance, protection of flora and fauna and conservation of natural resources. Promoting gender equality and empowering women. Training to promote nationally recognized sports.

46 Transfer pricing

The Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Group is in the process of updating the documentation for the domestic and international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by 30 November 2022, as required by law. The Management is of the opinion that its domestic and international transactions are at arm's length so that the aforesaid legislation will not have any impact on the revised financial statements, particularly on the amount of tax expenses and that of provision for taxation.

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47 Composite Scheme of Arrangement

The consolidated financial statements were approved by the Board of Directors of the Company on 26th May 2022. Pursuant to the approval of the Composite Scheme of Arrangement by the National Company Law Tribunal ('NCLT'), Hyderabad Bench, vide Order dated 30 May 2022 ("Order"), Certified copy of which was received by the Company on 7th June 2022, the consolidated financial statements of the Company have been revised and are approved for issue by the Board of Directors of the Company at their meeting held on 03 August 2022.

The revision to the consolidated financial statements have been carried out solely to reflect the impact of the Scheme and no additional adjustments have been carried out for any other events occurring after 26 May 2022 (being the date when the consolidated financial statements were first approved by the Board of Directors of the Company).

The Board of Directors of the Company at its meeting held on 27 January 2021 had approved the Composite Scheme of Arrangement ("Scheme") among the Company, GVK Davix Technology Private Limited (GVK DTPL or the Parent of the Company), Excelra Knowledge Solutions Private Limited (a subsidiary of the Parent of the Company), GVK Davix Research Private Limited (a subsidiary of the Parent of the Company) and their respective Shareholders with appointed date of 01 April 2021/ 02 April 2021. This Scheme provided for the merger of Excelra Knowledge Solutions Private Limited with Parent of the Company, demerger of the Informatics business (demerged business) of the Parent of the Company to the GVK Davix Research Private Limited, and merger of the Parent of the Company with the Company. Petition seeking approval of the Scheme was subsequently filed with Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench on 09 September 2021. The NCLT approved the Scheme vide its order dated 30 May 2022, certified copy of which received by the Company on 07 June 2022. upon filing of the certified copy of the order from NCLT, Hyderabad Bench sanctioning the Scheme, with Registrar of Companies, Hyderabad on 01 July 2022 the Scheme has become effective.

These Revised consolidated financial statements for the year ended 31 March 2022 have been prepared giving effect to the Scheme.

Pursuant to the Scheme, all the assets, liabilities, reserves and surplus of the Parent of the Company have been transferred to and vested in the Company with effect from the appointed date at their carrying values and the financial information in the revised consolidated financial statements has been restated from 01 April 2020 as per requirements of Appendix C to Ind AS 103.

The details of the Parent and the merger of the Parent with the Company are as below:

Name of the transferor company	Parent Company (including subsidiaries of the Parent, Excelra Knowledge Solutions Private Limited, GVK Davix Research Private Limited and GVK Biosciences Inc.,)
General nature of business:	
GVK Davix Technologies Private Limited	Contract research and development services and Data Curation
Excelra Knowledge Solutions Private Limited	Data Curation Services
GVK Davix Research Private Limited	Contract research and development services and Data Curation Services.
GVK Biosciences Inc.,	Contract research and development services
Appointed Date of the Scheme	01 April 2021 and 02 April 2021
Amount of difference between the consideration and the value of net identifiable assets acquired, and the treatment thereof	Refer note (b) below

(b) The following table illustrates the assets and liabilities transferred to Aragen Life Sciences Private Limited from GVK DTPL pursuant to the composite scheme of arrangement:

Particulars	**As at**	
	31 March 2022	**l March 2021**
Assets transferred		
Non-current assets	53.42	994.23
Current assets	228.51	1,468.33
Total Assets transferred	**281.93**	**2,462.56**
Non-current liabilities	-	45.02
Current liabilities	262.08	649.52
Total Liabilities transferred	**262.08**	**694.54**
Net Assets transferred	**19.85**	**1,768.02**
Transfer of retained earnings and other reserves as per Ind AS 103	312.03	1,114.10
Capital reserve in the books of Aragen Life Sciences Private Limited	**(292.18)**	**653.92**

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

The demerger has given effect from the retrospective appointed date specified in the Scheme i.e. 02 April 2021 which overrides the relevant requirement of accounting principles generally accepted in India (according to which the demerger would have been accounted for from 30 May 2022 which is the date when NCLT approved the scheme). The impact of the same on the consolidated financial statements for the year ended 31 March 2022 and 31 March 2021 is as below:

Consolidated Balance Sheet as at 31 March 2022

Particulars	As at 31 March 2022			As at 31 March 2021		
	As previously reported	Adjustments arising from the scheme	Revised Consolidated financial statements	As previously reported	Adjustments arising from the scheme	Revised Consolidated financial statements
Assets						
Non-current assets						
Property, plant and equipment	8,920.60	-	8,920.60	5,757.93	10.18	5,768.11
Capital work-in-progress	321.74	-	321.74	745.20	-	745.20
Goodwill	1,618.13	-	1,618.13	264.73	293.49	558.22
Intangible assets under development	-	-	-	-	63.72	63.72
Other Intangible assets	270.44	-	270.44	92.44	448.49	540.93
Right-of-use assets	591.28	-	591.28	611.31	16.86	628.17
Financial assets						
- Investments	1.86	-	1.86	1.83	-	1.83
- Loans	-	-	-	-	-	-
- Other financial assets	490.28	-	490.28	65.26	10.45	75.71
Deferred tax assets, net	-	-	-	6.49	59.93	66.42
Non-current tax assets, net	278.11	53.40	331.51	170.89	82.22	253.11
Other non-current assets	16.25	0.02	16.27	41.27	8.89	50.16
	12,508.69	**53.42**	**12,562.11**	**7,757.35**	**994.23**	**8,751.58**
Current assets						
Inventories	987.48	-	987.48	670.94	-	670.94
Financial assets						
- Trade receivables	2,431.51	-	2,431.51	2,156.29	391.63	2,547.92
- Cash and cash equivalents	2,053.57	227.72	2,281.29	899.20	396.73	1,295.93
- Bank balances other than cash and cash equivalents	1,408.48	-	1,408.48	1,166.09	618.59	1,784.68
- Loans	1.24	-	1.24	1.11	1.33	2.44
- Other financial assets	156.88	-	156.88	173.65	25.20	198.85
Other current assets	784.18	0.79	784.97	723.09	34.85	757.94
	7,823.34	**228.51**	**8,051.85**	**5,790.37**	**1,468.33**	**7,258.70**
Total assets	**20,332.03**	**281.93**	**20,613.96**	**13,547.72**	**2,462.56**	**16,010.28**
Equity and liabilities						
Equity						
Equity share capital	681.38	-	681.38	669.82	-	669.82
Other equity	9,620.69	19.85	9,640.54	7,438.03	976.29	8,414.32
Equity attributable to the owners of the Company	**10,302.07**	**19.85**	**10,321.92**	**8,107.85**	**976.29**	**9,084.14**
Non-controlling interest	513.07	-	513.07	-	791.74	791.74
Total equity	**10,815.14**	**19.85**	**10,834.99**	**8,107.85**	**1,768.03**	**9,875.88**
Liabilities						
Non-current liabilities						
Financial liabilities						
-Borrowings	4,402.28	-	4,402.28	1,349.17	-	1,349.17
-Other financial liabilities	4.00	-	4.00	-	-	-
-Lease Liabilities	342.38	-	342.38	380.10	8.74	388.84
Provisions	275.46	-	275.46	210.58	36.28	246.86
Deferred tax liabilities, net	83.69	-	83.69	-	-	-
	5,107.81	**-**	**5,107.81**	**1,939.85**	**45.02**	**1,984.87**
Current liabilities						
Financial liabilities						
-Borrowings	773.44	32.35	805.79	1,110.72	210.56	1,321.28
-Lease Liabilities	123.93	-	123.93	93.97	11.34	105.31
-Trade payables						
-Total outstanding dues of micro and small enterprises	129.22	-	129.22	86.16	-	86.16
-Total outstanding dues of creditors other than micro and small enterprises	1,132.62	1.33	1,133.95	1,005.52	49.23	1,054.75
-Other financial liabilities	1,308.82	228.13	1,536.95	624.51	218.14	842.65
Current tax liabilities, net	157.06	-	157.06	139.55	7.91	147.46
Provisions	34.97	-	34.97	26.93	6.18	33.11
Other current liabilities	749.02	0.27	749.29	412.66	146.16	558.82
	4,409.08	**262.08**	**4,671.16**	**3,500.02**	**649.52**	**4,149.54**
Total liabilities	**9,516.89**	**262.08**	**9,778.97**	**5,439.87**	**694.54**	**6,134.41**
Total equity and liabilities	**20,332.03**	**281.93**	**20,613.96**	**13,547.72**	**2,462.57**	**16,010.29**

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Consolidated Statement of Profit and Loss for the year ended 31 March 2022

Particulars	For the year ended 31 March 2022			For the year ended 31 March 2021		
	As previously reported	Adjustments arising from the scheme	Revised Consolidated financial statements	As previously reported	Adjustments arising from the scheme	Revised Consolidated financial statements
Revenue from operations	13,873.61	-	13,873.61	11,333.85	(1.06)	11,332.79
Other income	147.59	-	147.59	183.90	(0.25)	183.65
Total income	**14,021.20**	**-**	**14,021.20**	**11,517.75**	**(1.31)**	**11,516.44**
Expenses						
Cost of materials consumed	1,990.23	-	1,990.23	1,326.22	-	1,326.22
Changes in inventories of work-in-progress and finished goods	(253.81)	-	(253.81)	72.69	-	72.69
Employee benefits expense	4,111.65	-	4,111.65	3,294.65	-	3,294.65
Finance costs	234.18	0.89	235.07	181.09	0.27	181.36
Depreciation and amortisation expense	1,288.98	-	1,288.98	1,004.89	-	1,004.89
Other expenses	3,973.48	1.94	3,975.42	3,463.53	4.08	3,467.61
Total expenses	**11,344.71**	**2.83**	**11,347.54**	**9,343.07**	**4.35**	**9,347.42**
Profit before tax	**2,676.49**	**(2.83)**	**2,673.66**	**2,174.68**	**(5.66)**	**2,169.02**
Tax expenses						
(a) Current tax	640.40	-	640.40	514.54	5.90	520.44
(b) Current tax relating to prior years	20.76	0.05	20.81	1.54	-	1.54
(c) Deferred tax expense / (benefit)	37.82	-	37.82	(20.22)	24.49	4.27
Income tax expense	**698.98**	**0.05**	**699.03**	**495.86**	**30.39**	**526.25**
Profit from continuing operations after tax	**1,977.51**	**(2.88)**	**1,974.63**	**1,678.82**	**(36.05)**	**1,642.77**
Discontinued operations						
Profit before tax from discontinued operations	-	-	-	-	639.28	639.28
Tax expense of discontinued operations	-	-	-	-	104.57	104.57
Profit from discontinued operations after tax	**-**	**-**	**-**	**-**	**534.71**	**534.71**
Other comprehensive income ("OCI")						
Items that will be reclassified to profit or loss						
Effective portion of cashflow hedge	6.39	-	6.39	444.96	7.57	452.53
Exchange differences on translating the financial statements of foreign operations	(16.89)	-	(16.89)	(9.30)	2.09	(7.21)
Income-tax effect on above	(1.61)	-	(1.61)	(111.99)	(2.20)	(114.19)
	(12.11)	**-**	**(12.11)**	**323.67**	**7.46**	**331.13**
Items that will not be reclassified to profit or loss						
Remeasurement losses on defined benefit plan	8.21	-	8.21	(0.25)	(7.61)	(7.86)
Equity instruments through other comprehensive income	-	-	-	-	-	-
Income-tax effect on above	(1.98)	-	(1.98)	0.07	2.22	2.29
	6.23	**-**	**6.23**	**(0.18)**	**(5.39)**	**(5.57)**
Total other comprehensive income, net of tax	**(5.88)**	**-**	**(5.88)**	**323.49**	**2.07**	**325.56**
Total comprehensive income for the year	**1,971.63**	**(2.88)**	**1,968.75**	**2,002.31**	**500.73**	**2,503.04**

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Aragen Life Sciences Private Limited * Hyderabad

Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)*
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(All amounts in ₹ million, except share data, unless otherwise stated)

Consolidated Statement of cash flows for the year ended 31 March 2022

Particulars	For the year ended 31 March 2022			For the year ended 31 March 2021		
	As previously reported	Adjustments arising from the scheme	Revised Consolidated financial statements	As previously reported	Adjustments arising from the scheme	Revised Consolidated financial statements
Cash flow from operating activities						
Profit before tax	2,676.49	(2.83)	2,673.66	2,174.68	633.62	2,808.30
Adjustments for:						
- Depreciation and amortisation expense	1,288.98	-	1,288.98	1,004.89	47.68	1,052.57
- Property, plant and equipment written-off	0.71	-	0.71	2.15	-	2.15
- Loss/(Income) from investments	0.64	-	0.64	(0.34)	-	(0.34)
- Finance and interest income	(61.80)	-	(61.80)	(93.82)	(38.14)	(131.96)
- Liabilities no longer required written-back	(30.28)	-	(30.28)	(51.34)	(1.10)	(52.44)
- Gain on sale of property, plant and equipment	-	-	-	(4.11)	-	(4.11)
- Interest expense	234.18	0.89	235.07	181.08	4.89	185.97
- Employee stock compensation expense	75.93	-	75.93	6.25	12.59	18.84
- (Reversal)/provision for doubtful debts, net	(22.42)	-	(22.42)	37.83	0.78	38.61
- Unrealised foreign exchange fluctuation gain	(6.70)	-	(6.70)	(30.90)	(16.49)	(47.39)
Adjustments for working capital changes:	-	-	-	-	-	-
(Increase)/decrease in inventories	(315.98)	-	(315.98)	59.76	-	59.76
Increase in trade receivables	(88.48)	-	(88.48)	(347.00)	55.25	(291.75)
(Increase)/decrease in short term loans given	(0.10)	-	(0.10)	2.57	64.67	67.24
Increase in other financial assets	(11.33)	-	(11.33)	(2.85)	(55.27)	(58.12)
Increase in other current assets	(64.82)	(0.17)	(64.99)	(160.71)	(8.47)	(169.18)
Increase in trade payables	180.00	(0.14)	179.86	149.95	(5.56)	144.39
(Decrease)/increase in other current financial liabilities	(30.30)	227.11	196.81	91.40	8.82	100.22
Increase in provisions	45.58	-	45.58	51.07	5.31	56.38
Increase in other current liabilities	296.24	(25.75)	270.49	126.63	63.50	190.13
Cash generated from operations	**4,166.54**	**199.11**	**4,365.65**	**3,197.19**	**772.08**	**3,969.27**
Income-tax paid	(768.38)	(22.71)	(791.09)	(440.41)	(145.90)	(586.31)
Net cash generated from operating activities	**3,398.16**	**176.40**	**3,574.56**	**2,756.78**	**626.18**	**3,382.96**
Cash flow used in investing activities						
Purchase of property, plant and equipment incl. CWIP and Capital advances	(3,518.49)	-	(3,518.49)	(1,514.35)	(37.47)	(1,551.82)
Proceeds from sale of property, plant and equipment	-	-	-	4.20	-	4.20
(Investment in)/Redemption of fixed deposits, net	(534.06)	-	(534.06)	(484.65)	(38.59)	(523.24)
Income from investments	107.01	-	107.01	0.34	(0.00)	0.34
Payment towards acquisition of subsidiaries	(1,074.08)	-	(1,074.08)	-	(273.13)	(273.13)
Redemption of mutual funds, net	-	-	-	10.10	0.00	10.10
Finance and interest income received	77.17	-	77.17	83.07	48.95	132.02
Net cash used in investing activities	**(4,942.45)**	**-**	**(4,942.45)**	**(1,901.29)**	**(300.24)**	**(2,201.53)**

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Particulars	For the year ended 31 March 2022			For the year ended 31 March 2021		
	As previously reported	**Adjustments arising from the scheme**	**Revised Consolidated financial statements**	**As previously reported**	**Adjustments arising from the scheme**	**Revised Consolidated financial statements**
Cash flow from financing activities						
Proceeds from issue of equity shares	162.75	-	162.75	-	-	-
Payment of dividends	-	-	-	(474.25)	(187.96)	(662.21)
Proceeds from long-term borrowings	3,480.00	-	3,480.00	-	-	-
Repayment of long-term borrowings	(311.64)	-	(311.64)	(137.49)	(0.00)	(137.49)
Proceeds from/ (repayment) of short-term borrowings, net	(441.99)	22.70	(419.29)	(310.55)	209.65	(100.90)
Repayment of lease liabilities	(134.12)	-	(134.12)	(117.47)	(22.20)	(139.67)
Employee stock options bought back	-	-	-	(18.33)	-	(18.33)
Interest expense paid	(178.90)	(0.09)	(178.99)	(166.29)	(0.90)	(167.19)
Net cash generated/(used) in financing activities	**2,576.10**	**22.61**	**2,598.71**	**(1,224.38)**	**(1.41)**	**(1,225.79)**
Net increase in cash and cash equivalents	1,031.81	199.01	1,230.82	(368.89)	324.53	(44.36)
Cash and cash equivalents at the beginning of the year	899.20	396.73	1,295.93	1,269.08	-	1,269.08
Cash and cash equivalents as on acquisition date of a subsidiary	118.65	-	118.65	-	-	-
Cash and cash equivalents received on account of composite scheme of arrangement	-	(368.02)	(368.02)	-	67.73	67.73
Effect of exchange differences on cash and cash equivalents held in foreign currency	3.91	-	3.91	(0.99)	4.47	3.48
Cash and cash equivalents at the end of the year	**2,053.57**	**227.72**	**2,281.29**	**899.20**	**396.73**	**1,295.93**

(c) The merger of GVK DTPL being a common control business combination under Ind AS 103 "Business Combination", comparatives were restated for amalgamation with effect from the beginning of the preceding year.

(d) The authorised share capital of the Company, stands increased, by clubbing the authorised share capital of the GVK DTPL which is ₹ 270.00 million divided into 27 million equity shares of ₹ 10 each.

(e) Pursuant to the composite scheme of arrangement, the Shares held by GVK DTPL stands cancelled and the same number of shares are allotted to the shareholders of GVK DTPL.

48 Discontinued operations

Pursuant to the composite scheme of arrangement, the business of Excelra Knowledge Solutions Private Limited, GVK Davix Research Private Limited and GVK Biosciences Inc., was classified as discontinuing operations in the earlier year. The statement of profit and loss has been represented to show the discontinued operations separately from continuing operations.

A Results of discontinued operations

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Total income	-	1,485.33
Total expenses	-	846.05
Results from operating activities	**-**	**639.28**
Tax expenses	-	104.57
Profit from discontinued operations	**-**	**534.71**

B Cash flows from / (used in) discontinued operations

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Net cash from operating activities	-	635.51
Net cash used in investing activities	-	(299.64)
Net cash used in financing activities	-	(38.56)
Net cash flows for the year	**-**	**297.31**

C Effect of disposal on the financial position of the Company

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Property, plant and equipment	-	(10.18)
Goodwill	-	(293.49)
Intangible assets under development	-	(63.72)
Other Intangible assets	-	(448.49)
Right-of-use assets	-	(16.86)
Financial assets		
- Other financial assets	-	(10.45)
Deferred tax assets, net	-	(59.93)
Non-current tax assets, net	-	(51.48)
Other non-current assets	-	(8.89)
Total non-current assets	**-**	**(963.49)**
Current assets		
Financial assets		
- Trade receivables	-	(391.63)
- Cash and cash equivalents	-	(368.01)
- Bank balances other than cash and cash equivalents	-	(618.59)
- Loans	-	(1.33)
- Other financial assets	-	(25.20)
Other current assets	-	(34.22)
	-	**(1,438.98)**
Total assets	**-**	**(2,402.47)**
Liabilities		
Non-current liabilities		
Financial liabilities		
-Lease Liabilities	-	(8.74)
Provisions	-	(36.28)
Total non-current liabilities	**-**	**(45.02)**
Current liabilities		
Financial liabilities		
-Borrowings	-	(200.91)
-Lease Liabilities	-	(11.34)
-Trade payables		
-Total outstanding dues of micro and small enterprises	-	-
-Total outstanding dues of creditors other than micro and small enterprises	-	(47.76)
-Other financial liabilities	-	(217.91)
Current tax liabilities, net	-	(7.91)
Provisions	-	(6.18)
Other current liabilities	-	(120.15)
Total current liabilities	**-**	**(612.16)**
Total liabilities	**-**	**(657.18)**

49 Impact of Covid 19 and assessment

The Group has considered internal and external sources of information up to the date of approval of the above financial statements in evaluating the possible impact that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, intangible assets, receivables, investments and other financial assets. The Group has applied prudence in arriving at the estimates and assumptions and also performed sensitivity analysis on the assumptions used. The Group is confident about the recoverability of these assets. However, the impact of the global health pandemic may be different from that estimated as at the date of approval of the above revised financial statements. Considering the continuing uncertainties, the Group will continue to closely monitor any material changes to future economic conditions.

50 Struck-off Companies:

The Company has not enetered into any transactions with the companies struck-off as per Section 248 or Section 560 of the companies act 2013.

51 Benami Property:

There are no proceeding initiated or pending against the Group as at 31 March 2022, under Benami Property Transactions Act, 1988 (as amended in 2016).

52 Wilful Defaulter:

The Group is not declared a wilful defaulter by any bank or financial institution or other lender.

53 Undisclosed Incomes:

The Group has recorded all transactions in the books of account that has been surrendered. There are no previously unrecorded incomes and related assets that were considered during the year, no unrecorded incomes were identified as income for tax assessments.

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54 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration No: 116231W/ W-100024

Arpan Jain
Partner
Membership No. 125710

Place: Hyderabad
Date: 03 August 2022

for and on behalf of the Board of Directors of
Aragen Life Sciences Private Limited
(formerly known as GVK Biosciences Private Limited)
CIN: U74999TG2000PTC035826

Davinder Singh Brar
Chairman
DIN: 00068502

G V Sanjay Reddy
Vice Chairman
DIN: 00005282

K Ramakrishna
Company Secretary
M.No.: F3865

Sachin Anand Dharap
Chief Financial Officer

Manmahesh Kantipudi
Director & Chief Executive Officer
DIN: 05241166

Place: Hyderabad
Date: 03 August 2022