B S R & Associates LLP
Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Aragen Bioscience, Inc. ("the Company"), which comprise the balance sheet as at 31st March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred as "financial statements"), prepared and presented solely to facilitate the Holding Company- Aragen Life Sciences Private Limited in the preparation of its consolidated financial statements in accordance with Section 129(3) of the Indian Companies Act, 2013 ("the Act").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements are prepared, in all material respects, in conformity with the basis of preparation as set out in note 2(a) to the financial statements and Group Accounting policies of Aragen Life Sciences Private Limited.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by Institute of Chartered Accountants of India ('ICAI') and in particular SA 800 "Special Considerations- Audit of Financial Statements prepared in accordance with Special Purpose Frameworks". Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the financial statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Company's Management and Board of Directors are responsible for the matters with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the instructions provided and accounting policies followed by Aragen Life Sciences Private Limited, in preparing its consolidated financial statements ("Group Accounting policies"). This responsibility also includes maintenance of adequate accounting records 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Management's and Board of Directors' Responsibility for the Financial Statements (continued)

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements 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 and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditors' Report (continued)

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

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

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.

Basis of accounting and Restriction on Distribution and use

We draw attention to Note 2(a) to the financial statements, which describes the basis of accounting. The financial statements have been prepared by the Management of the Company to assist Aragen Life Sciences Private Limited (*formerly known as GVK Biosciences Private Limited*), the Holding Company in preparation of their consolidated financial statements. As a result, the financial statements may not be suitable for another purpose. Our report will not be intended for general circulation or publication and should not be quoted or referred to any other document or made available to any other person or persons whatsoever without our prior written consent. We do not accept or assume responsibility or liability to any other person or party to whom it is distributed to or into whose hands it may come.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231-W/ W-100024

Arpan Jain
Partner
Membership No.: 125710
ICAI UDIN: 22125710AJTTHP5828

Place: Hyderabad
Date: 27 May 2022

Aragen Bioscience, Inc.
Balance Sheet as at 31 March 2022
(All amounts in $ Thousands 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	4,854.05	5,288.39
Capital work-in-progress	3	522.13	137.25
Other intangible assets	4	111.17	222.33
Right-of-use assets	29	2,839.85	3,532.40
Non-current tax assets, net	8	52.56	52.56
Other non-current assets	7	0.84	48.79
Total non-current assets		**8,380.59**	**9,281.72**
Current assets			
Inventories	9	370.49	82.93
Financial assets			
-Trade receivables	5	3,140.42	3,716.59
-Cash and cash equivalents	6	727.13	3,379.46
-Other financial assets	10	1.00	-
Other current assets	7	378.63	322.78
Total current assets		**4,617.67**	**7,501.76**
Total assets		**12,998.27**	**16,783.48**
Equity and liabilities			
Equity			
Equity share capital	11	0.19	0.19
Other equity	12	6,482.63	8,541.03
Total equity		**6,482.81**	**8,541.22**
Liabilities			
Non-current liabilities			
Financial liabilities			
-Lease liabilities	29	2,432.80	3,043.49
Provisions	14	706.28	607.03
Total non-current liabilities		**3,139.08**	**3,650.52**
Current liabilities			
Financial liabilities			
-Lease liabilities	29	606.61	615.57
-Trade payables	15		
-Total oustanding dues of micro and small enterprises		-	-
-Total outstanding dues of creditors other than micro and small enterprises		795.07	733.19
-Other financial liabilities	16	1,019.08	1,749.33
Provisions	14	123.28	93.02
Current tax liabilities, net		-	100.00
Other current liabilities	17	832.34	1,300.63
Total current liabilities		**3,376.38**	**4,591.74**
Total liabilities		**6,515.46**	**8,242.26**
Total equity and liabilities		**12,998.27**	**16,783.48**
Company background & Significant accounting policies	1 & 2		

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

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

Arpan Jain
Partner
Membership No. 125710

Place: Hyderabad
27 May 2022

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

Manmahesh Kantipudi
Director

Place: Hyderabad
Date: 26 May 2022

Aragen Bioscience, Inc.
Statement of Profit and Loss for the year ended 31 March 2022
(All amounts in $ Thousands except share data, unless otherwise stated)

	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from operations	18	18,102.14	24,942.47
Other income		157.16	167.20
Total income		**18,259.30**	**25,109.67**
Expenses			
Employee benefits expense	19	11,381.99	10,904.83
Finance costs	20	100.72	268.13
Depreciation and amortisation expense	3, 4 & 29	2,285.67	1,996.42
Other expenses	21	6,294.85	7,597.76
Total expense		**20,063.23**	**20,767.14**
(Loss)/ profit before tax		**(1,803.93)**	**4,342.53**
Tax expenses			
(a) Current tax		-	100.00
(b) Current tax relating to prior years		336.04	20.70
Total tax expenses		**336.04**	**120.70**
(Loss)/ profit after tax		**(2,139.97)**	**4,221.83**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement losses on defined benefit plans		-	-
Total other comprehensive income, net of tax		-	-
Total comprehensive income for the year		**(2,139.97)**	**4,221.83**
Earnings per share (EPS)	22		
Basic		(1.15)	2.43
Diluted		(1.15)	2.43
Company background & Significant accounting policies	1 & 2		

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

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

Arpan Jain

Arpan Jain
Partner
Membership No. 125710

Place: Hyderabad
27 May 2022

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

Manmahesh Kantipudi
Director

Place: Hyderabad
Date: 26 May 2022

Aragen Biscience, Inc.
Statement of Cash Flows for the year ended 31 March 2022
(All amounts in $ Thousands except share data, unless otherwise stated)

	For the year ended	
	31 March 2022	**31 March 2021**
Cash flow generated from operating activities		
Loss/ profit before tax	(1,803.93)	4,342.53
Adjustments to reconcile loss/ profit before tax to net cash flows:		
- Depreciation and amortisation expense	2,285.67	1,996.42
- Liabilities no longer required written back	-	-
- Finance costs	100.72	268.13
- Provision for doubtful receivables	(155.62)	270.11
- Employee stock options charge	81.56	84.16
Adjustments for working capital :		
(Increase)/ decrease in inventories	(287.56)	42.42
Decrease in trade receivables	731.78	339.23
Increase in provisions	129.51	320.00
(Increase)/ decrease in other assets	(8.90)	6.37
Increase in trade payables	61.88	25.80
(Decrease)/ increase in other financial liabilities	(592.72)	931.62
(Decrease)/Increase in other liabilities	(468.29)	395.12
Cash generated from operations	**74.10**	**9,021.92**
Income-taxes paid	(436.04)	(20.70)
Net cash from operating activities (a)	**(361.94)**	**9,001.22**
Cash flow used in investing activities		
Purchase of property, plant and equipment, net	(1,567.44)	(2,469.80)
Net cash used in investing activities (b)	**(1,567.44)**	**(2,469.80)**
Cash flow from financing activities		
Proceeds from issue of share capital	-	3,500.00
Option repurchase/buyback	-	(246.80)
(Repayment)/ proceeds from short-term borrowings, net	-	(5,615.00)
Repayment of lease liabilities, net	(619.65)	(852.25)
Finance cost paid	(103.30)	(199.46)
Net cash used in financing activities (c)	**(722.95)**	**(3,413.51)**
Net (decrease)/ increase in cash and cash equivalents (a+b+c)	(2,652.33)	3,117.91
Cash and cash equivalents at the beginning of the year	3,379.46	261.55
Cash and cash equivalents at the end of the year (refer note 6)	**727.13**	**3,379.46**

As per our Report of even date attached

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

Arpan Jain

Arpan Jain
Partner
Membership No. 125710

Place: Hyderabad
27 May 2022

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

Manmahesh Kantipudi
Director

Place: Hyderabad
Date: 26 May 2022

Aragen Biscience, Inc.
Statement of Changes in Equity for the year ended 31 March 2022
(All amounts in $ Thousands except share data, unless otherwise stated)
(A) Equity share capital

	Common Stock		Preferred Stock		Total	
	Number	Amount	Number	Amount	Number	Amount
Shares of $0.0001 each issued, subscribed and fully paid						
At 01 April 2020	796,000	0.08	894,000	0.09	1,690,000	0.17
Restated balance as at 01 April 2020	**796,000**	**0.08**	**894,000**	**0.09**	**1,690,000**	**0.17**
Issue of share capital	176,056	0.02	-	-	176,056	0.02
At 31 March 2021	**972,056**	**0.10**	**894,000**	**0.09**	**1,866,056**	**0.19**
Restated balance as at 01 April 2021	**972,056**	**0.10**	**894,000**	**0.09**	**1,866,056**	**0.19**
Issue of share capital	-	-	-	-	-	-
At 31 March 2022	**972,056**	**0.10**	**894,000**	**0.09**	**1,866,056**	**0.19**

(b) Other equity

Particulars	**Reserves and Surplus**			**Total other equity**
	Securities Premium	**Share based payment reserve**	**Retained Earnings**	
Balance as at 01 April 2020	5,140.72	191.83	(4,350.69)	981.86
Total Comprehensive Income for the current year	-	84.16	4,221.83	4,305.99
Employee stock options buyback	-	(58.37)	(188.43)	(246.80)
Issue of Share capital	3,499.98	-	-	3,499.98
Balance as at 31st March 2021	**8,640.70**	**217.62**	**(317.29)**	**8,541.03**
Total Comprehensive Income for the current year	-	81.56	(2,139.97)	(2,058.41)
Balance as at 31st March 2022	**8,640.70**	**299.19**	**(2,457.26)**	**6,482.63**

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

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

Arpan Jain

Arpan Jain
Partner
Membership No. 125710

Place: Hyderabad
27 May 2022

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

Manmahesh Kantipudi
Director

Place: Hyderabad
Date: 26 May 2022

1. Summary of significant accounting policies

(a) Basis of preparation of financial statements

These financial statements are special purpose financial statements which have been prepared to assist the Holding Company for preparation of their consolidated financial statements. Accordingly, these financial statements have been prepared in accordance with basis of preparation as set out in note 2 (a) of the financial statements and Group accounting policies of Aragen Life Sciences Private Limited ("Holding Company").

The financial statements have been prepared on a historical cost basis, except for financial instruments which have been measured at fair value at the end of each reporting period. The accounting policies applied by the Company are consistent with those used in the prior periods.

(b) Current and non-current classification:

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The Company classifies all other assets as non-current.

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

The Company classifies all other liabilities as non-current.

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.

(c) Fair value measurement:

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

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

The 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.

2. Summary of significant accounting policies (Continued)

Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(d) Revenue recognition

The Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue includes only the gross inflows of economic benefits, received and receivable by the Company, on its own account. Sales tax is not received by the Company on its own account, rather, it is collected on value added to the commodity/service rendered by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer.

Contract assets are recognized 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.

Unearned and Deferred revenue ("contract liability") is recognized when there are billings in excess of revenue.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

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

(d) Revenue recognition (continued)

The specific recognition criteria described below must also be met before revenue is recognized.

Revenue from contract research services

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 Company'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 Company'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 Company's performance obligations under the arrangement. The Company assesses whether a milestone is substantive at the inception of each arrangement.

Use of Significant Judgements in revenue recognition:

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

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

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

(e) 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.

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

(d) Taxes (continued)

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

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

(f) 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. All other repair and maintenance costs are recognised in profit or loss as incurred.

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

Nature of the assets	**Useful life**
Laboratory equipment	3 to 5 Years
Office equipment	3 to 5 Years
Vehicles	5 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.

(f) Intangible asset

Software licenses including computer software

Intangible assets in the nature of software licenses are measured on initial recognition at cost including expenditure incurred towards implementation of such software. Following initial recognition, intangible

2. Summary of significant accounting policies (Continued)

assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit or Loss when the asset is derecognised.

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

(g) Leases

The Company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17. The details of accounting policies under Ind AS 17 are disclosed separately if they are different from those under Ind AS 116 and the impact of changes is disclosed in Note 25.

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

(h) Leases (continued)

- 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.

As a lessee

a) Under Ind AS 116:

2. Summary of significant accounting policies (Continued)

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.

(h) Leases (continued)

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.

Policy applicable before 1 April 2019:

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

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1 April 2014, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

(h) Leases (continued)

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. A Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(i) Impairment

The carrying amount of property, plant and equipment 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.

(j) Provisions

A provision is recognized 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 recognized 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.

(j) Retirement and other employee benefits

2. Summary of significant accounting policies (Continued)

401(K)/Individual retirement account (IRA) are defined contribution schemes and is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective authorities.

Compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

(k) Employee stock option scheme

The Company measures and recognizes compensation expense for all the share based options made to the employees and directors on estimated fair values at grant date. The fair value of stock-based awards is amortized over the vesting period of the award using a straight-line method.

To estimate the fair value of an option, the Company uses the Black-Scholes option pricing model. This model requires inputs such as expected life, expected volatility and risk-free interest rate. These inputs are subjective and generally require significant analysis and judgment to develop. While estimates of expected life and volatility are derived primarily from the Company's historical data, the risk-free rate is based on the United States Treasury yield curve in effect at the time of grant, commensurate with the expected life assumption. Further, the Company is required to estimate forfeitures at the time of grant and revise those estimates in subsequent periods if actual forfeitures differ from those estimates. The Company uses historical data to estimate pre-vesting option forfeitures and record stock-based compensation expense only for those awards that are expected to vest.

(l) 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 10.

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

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

(l) Financial instruments (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.

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.

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.

2. Summary of significant accounting policies (Continued)

Subsequent measurement

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

(l) Financial instruments (continued)

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

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss. This category generally applies to borrowings.

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.

(l) Financial instruments (continued)

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

Reclassification of financial assets

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

(m) 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.

(n) Earnings per share

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

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

(o) 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.

a. Based on the Company's business model, contract research solutions have been considered as the only reportable business segment and hence no separate financial disclosures are provided in respect of its single business segment.
b. The entire Company's operations are managed from USA and also has complete asset base managed from USA. Hence, no separate disclosures are provided for geographical segment.

(p) Cash flow statement

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

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

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

	Lab equipment and furniture	Office equipment	Vehicles	Leasehold improvements	Total
Gross block					
As at 31 March 2020	**3,553.83**	**205.58**	-	**3,693.24**	**7,452.65**
Additions during the Period	2,048.32	37.21	-	491.10	2,576.63
Disposals	-	-	-	-	-
As at 31 March 2021	**5,602.15**	**242.79**	-	**4,184.34**	**10,029.28**
Additions during the Period	972.60	64.81	-	10.20	1,047.61
Disposals	-	-	-	-	-
As at 31 March 2022	**6,574.75**	**307.60**	-	**4,194.54**	**11,076.89**
Accumulated depreciation					
Up to 31 March 2020	**2,243.28**	**141.08**	-	**1,216.15**	**3,600.51**
Charge for the year	654.76	29.83	-	455.79	1,140.38
Disposals	-	-	-	-	-
					-
Up to 31 March 2021	**2,898.04**	**170.91**	-	**1,671.94**	**4,740.89**
Charge for the year	906.19	32.17	-	543.59	1,481.95
Disposals	-	-	-	-	-
Up to 31 March 2022	**3,804.23**	**203.08**	-	**2,215.53**	**6,222.84**
Net block					
As at 31 March 2022	**2,770.52**	**104.52**	-	**1,979.01**	**4,854.05**
As at 31 March 2021	2,704.11	71.88	-	2,512.40	5,288.39

Capital work-in-progress

Capital work-in-progress (CWIP) as at 31 March 2022 comprises of expenditure for feasibility study, consultancy services and pre-operative expenses relating to construction of CCM facility. The balance of CWIP as at 31 March 2022 is $522.13 (31 March 2021: $137.25).

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

Particulars	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3years	> 3 years	
Projects in progress	384.88	137.25	-	-	**522.13**
Projects temporarily suspended	-	-	-	-	-

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

Particulars	Amount in CWIP for a period of				Total
	< 1 year	1-2 years	2-3years	> 3 years	
Projects in progress	137.25	-	-	-	**137.25**
Projects temporarily suspended	-	-	-	-	-

4 Other Intangible assets

	As at	
	31 March 2022	31 March 2021
Licenses cost		
Opening balance	222.33	333.50
Additions during the year	-	-
Closing balance	**222.33**	**333.50**
Amortization		
Charge for the year	111.17	111.17
Closing balance	**111.17**	**111.17**
Net block	**111.17**	**222.33**

There are no assets that are under development during the year

Aragen Bioscience, Inc.

Notes to the financial statements for the year ended 31 March 2022 (continued)

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

5 Trade receivables

	As at 31 March 2022	As at 31 March 2021
(Unsecured)		
- Considered good		
- related parties	358.14	193.61
- other parties	2,782.28	3,522.98
	3,140.42	**3,716.59**
- Considered doubtful		
- related parties	-	-
- other parties	236.28	752.43
	3,376.70	**4,469.02**
Less: Provision for loss allowance	(236.28)	(752.43)
Total trade receivables	**3,140.42**	**3,716.59**

	31 March 2022	31 March 2021
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	3,140.42	3,716.59
Trade receivables which have significant increase in credit risk	236.28	752.43
Trade receivables - credit impaired	-	-
Total	**3,376.70**	**4,469.02**
Provision for loss allowance	(236.28)	(752.43)
Total trade receivables	**3,140.42**	**3,716.59**

Trade Receivables ageing schedule as at 31 March 2022:

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment: < 6 months	6m-1 year	1-2years	2-3years	> 3years	Total
(i)Undisputed Trade receivables – considered good	358.14	2,092.52	689.77	-	-	-	-	3,140.43
(ii)Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	150.00	-	-	-	150.00
(iii) Undisputed Trade Receivables – Credit Impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables-Which have significant increase in credit risk	-	-	-	24.18	27.30	34.76	0.04	86.27
(iv) Disputed Trade Receivables-Credit Impaired	-	-	-	-	-	-	-	-
Total	**358.14**	**2,092.52**	**689.77**	**174.18**	**27.30**	**34.76**	**0.04**	**3,376.70**

Trade Receivables ageing schedule as at 31 March 2021:

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment: < 6 months	6m-1 year	1-2years	2-3years	> 3years	Total
(i)Undisputed Trade receivables – considered good	-	2,593.96	1,124.72	-	-	-	-	3,718.68
(ii)Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	354.04	-	-	-	354.04
(iii) Undisputed Trade Receivables – Credit Impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables-Which have significant increase in credit risk	-	-	-	3.03	22.37	118.42	252.47	396.30
(iv) Disputed Trade Receivables-Credit Impaired	-	-	-	-	-	-	-	-
Total	-	**2,593.96**	**1,124.72**	**357.07**	**22.37**	**118.42**	**252.47**	**4,469.02**

(i) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is partner, a director or a member.

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

(iii) Information on Company's exposure to Credit risk is given in

(iv) Reconciliation of loss allowance

Particulars	Amount
Provision for loss allowance as on 31 March 2021	**752.43**
Provision made during the year	(155.62)
Write off made during the year	(360.53)
Provision for loss allowance as on 31 March 2022	**236.28**

(v) Refer Note 30 for related party transactions

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

6 Cash and cash equivalents

	As at	
	31 March 2022	31 March 2021
Balances with banks		
-On current accounts	727.08	3,379.42
Cash on hand	0.05	0.04
	727.13	**3,379.46**

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

7 Other assets

	As at	
	31 March 2022	31 March 2021
(Unsecured, considered good)		
Non-current		
Prepaid expenses	0.84	48.79
	0.84	**48.79**
Current		
Advance for expenses	18.53	67.66
Deposits	14.13	13.12
Prepaid expenses	345.97	242.00
	378.63	**322.78**

8 Non-current tax assets, net

	As at	
	31 March 2022	31 March 2021
TDS recoverable	52.56	52.56
	52.56	**52.56**

9 Inventories

	As at	
	31 March 2022	31 March 2021
Valued at the lower of cost and net realisable value		
Chemicals and consumables	370.49	82.93
	370.49	**82.93**

10 Other financial assets

	As at	
	31 March 2022	31 March 2021
Employee advances	1.00	-
	1.00	**-**

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

11 Share capital

	31 March 2022		31 March 2021	
	Number	**Amount**	**Number**	**Amount**
Authorized				
Series A and Series B Common stock of $0.0001 each	20,000,000	2.00	20,000,000	2.00
Series A and Series B Preferred stock of $0.0001 each	5,000,000	0.50	5,000,000	0.50
	25,000,000	**2.50**	**25,000,000**	**2.50**
Issued, subscribed and fully paid-up				
Series A and Series B Common stock of $0.0001 each	972,056	0.10	972,056	0.10
Series A and Series B Preferred stock of $0.0001 each	894,000	0.09	894,000	0.09
	1,866,056	**0.19**	**1,866,056**	**0.19**

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

	31 March 2022		31 March 2021	
	Number	**Amount**	**Number**	**Amount**
Common stock				
At the beginning of the year	972,056	0.10	796,000	0.08
Issued during the year - Series B	-	-	176,056	0.02
Balance at the end of the year	**972,056**	**0.10**	**972,056**	**0.10**
Preferred Stock				
Series A				
Balance at the beginning and at the end of the year	725,000	0.07	725,000	0.07
Series B				
Balance at the beginning and at the end of the year	169,000	0.02	169,000	0.02

(b) Terms/rights attached to common stock

The Company has one class of common stock having a par value of $0.0001 per share. Each holder of Series A common stock is entitled to one vote per share and Each holder of Series B common stock is entitled to ten votes per share.
In the event of liquidation of the Company, the holders of common stock will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of common stock held by the shareholders.

Terms/rights attached to preferred stock

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

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

	31 March 2022		31 March 2021	
	Number	**Amount**	**Number**	**Amount**
Aragen Life Sciences Private Limited (Formerly GVK Biosciences Private Limited), Holding Company	1,866,056	0.19	1,866,056	0.19

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

11 Share capital (continued)

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

	31 March 2022		31 March 2021	
	Number of shares	**% of holding**	**Number of shares**	**% of holding**
Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)*	972,056	100%	972,056	100%

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

	31 March 2022		31 March 2021	
	Number of shares	**% of holding**	**Number of shares**	**% of holding**
Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)*	894,000	100%	894,000	100%

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

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

During FY2019, Aragen's Board of Directors adopted, the Company's Omnibus Equity Incentive Plan (the plan). Under the plan, the option exercise price per share would be $7.42 per share. The Option granted under the plan would vest over 4 years. the fair value of the option on the grant date is $7.42 per share. The Company has approved 168,000 shares under the plan in Jul'18.

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 $**	**Number of options**	**Weighted average exercise price $**
Outstanding, beginning of the year	78,540	12.80	110,540	10.08
Granted during the year	3,200	11.34	12,000	18.08
Exercised/Buy back during the year	-	-	23,600	18.08
Forfeited during the year	29,165	13.23	20,400	7.42
Outstanding, end of the year	52,575	12.47	78,540	12.80
Exercisable at the end of the year	32,415	12.30	10,140	13.23

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.

During the previous year, the Company has bought back 23,600 ESOPs which are vested by the employees at fair value of $ 18.08 per option.

Shares held by the promoters

Particulars	As at 31 March 2022		As at 31 March 2021		
Promoter name	***No. of Shares***	***% of total shares***	***No. of Shares***	***% of total shares***	***% Change during the year***
Aragen Life Sciences Private Limited *(formerly known as GVK Biosciences Private Limited)*	1,866,056	100%	1,866,056	100%	-

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

12 Other equity

	As at 31 March 2022	As at 31 March 2021
Share Premium		
Balance at the beginning of the year	8,640.70	5,140.72
Add: Received during the year	-	3,499.98
Balance at the end of the year	**8,640.70**	**8,640.70**
Retained earnings		
Balance at the beginning of the year	(317.29)	(4,350.69)
Profit for the year	(2,139.97)	4,221.83
Less: Utilized on account of buyback of options	-	(188.43)
Balance at the end of the year	**(2,457.26)**	**(317.29)**
Share based payment reserve		
Balance at the beginning of the year	217.62	191.83
Add: Gross compensation for stock options granted during the year	81.56	84.16
Less: Utilized on account of buyback of options	-	(58.37)
Balance at the end of the year	**299.18**	**217.62**
Total other equity	**6,482.62**	**8,541.03**

Securities premium reserve

The amount received in excess of face value of the equity shares is recognised in securities premium reserve. This reserve is utilised in accordance with the provisions of the Act.

Share based payment reserve

The share-based payment reserve is used to recognise the value of equity-settled share based payments provided to employees,

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

13 Borrowings

(a) Net debt reconciliation

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

	Other assets	Liabilities from financing activities			
	Cash and bank balances	**Current borrowings**	**Non - Current borrowings**	**Interest accrued***	**Total**
Net debt as at 31 March 2020	261.55	5,615.00	-	59.28	(5,412.73)
Cash flows	3,117.91	(5,615.00)	-	-	8,732.91
Interest expense	-	-	-	142.83	(142.83)
Interest paid	-	-	-	(199.46)	199.46
Net debt as on 31 March 2021	3,379.46	-	-	2.65	3,376.81
Cash flows	(2,652.33)	-	-	-	(2,652.33)
Interest expense	-	-	-		-
Interest paid	-	-	-	(2.65)	2.65
Net debt as on 31 March 2022	727.13	-	-	-	727.13

*Excludes interest accrued on lease liabilities

14 Provisions

	As at	
	31 March 2022	**31 March 2021**
Non-current		
-Compensated absences	706.28	607.03
	706.28	**607.03**
Current		
-Compensated absences	123.28	93.02
	123.28	**93.02**

15 Trade payables

	As at	
	31 March 2022	**31 March 2021**
-Total oustanding dues of micro and small enterprises	-	-
-Total outstanding dues of creditors other than micro and small enterprises	795.07	733.19
	795.07	**733.19**

i) Trade payables are non-interest bearing and are normally settled on 30 to 45 day terms.
ii) Information on Company's exposure to Credit risk is given in Note 25.
iii) Refer Note 30 for related party transactions

Trade payables ageing schedule as at 31 March 2022

Particulars	Outstanding for following periods from due date of payment						
	Unbilled Trade Payables	**Not Due-Trade Payables**	**< 1 year**	**1-2 years**	**2-3years**	**> 3 years**	**Total**
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	678.23	95.50	16.59	3.98	0.77	795.07
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-	-	-
Total	-	**678.23**	**95.50**	**16.59**	**3.98**	**0.77**	**795.07**

Trade payables ageing schedule as at 31 March 2021

Particulars	Outstanding for following periods from due date of payment						
	Unbilled Trade Payables	**Not Due-Trade Payables**	**< 1 year**	**1-2 years**	**2-3years**	**> 3 years**	**Total**
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	555.22	170.52	6.07	0.31	1.08	733.19
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-	-	-
Total	-	**555.22**	**170.52**	**6.07**	**0.31**	**1.08**	**733.19**

16 Other financial liabilities

	As at	
	31 March 2022	**31 March 2021**
Current		
At amortised cost		
Creditors for capital goods	139.20	274.15
Dues to employees	576.82	691.96
Interest accrued but not due on borrowings	8.81	11.39
Creditors for expenses	294.26	771.83
	1,019.08	**1,749.33**

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

17 Other current liabilities

	As at	
	31 March 2022	**31 Mar 2021**
Advances received from customers	80.53	410.14
Deferred income	650.26	852.89
Statutory liabilities	101.55	37.60
	832.34	**1,300.63**

18 Revenue from operations

	For the year ended	
	31 March 2022	**31 Mar 2021**
Revenue from services:		
- Contract research services	18,102.14	24,942.47
	18,102.14	**24,942.47**

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

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially satisfied) performance obligations, along with the broad time band for the expected time to recognise those revenues, the company has applied the practical expedient in Ind AS 115. Accordingly, the company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts. Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is $650.26 (31 March 2021: $852.89) out of which 100% is expected to be recognised as revenue in the next year. No consideration from contracts with customers is excluded from the amount mentioned above.

(a) Information about products and services

The Company deals in different types of services

Services	Timing of recognition (Over the period / Point in time)	For the year ended	
		31 March 2022	**31 Mar 2021**
Sale of services	Over the period	18,102.14	24,942.47
Total		**18,102.14**	**24,942.47**

(b) Contract balances:

	For the year ended	
	31 March 2022	**31 Mar 2021**
Trade receivables	3,140.42	3,716.59
Contract liabilities	80.53	410.14

Disaggregated Revenue Information

	For the year ended	
	31 March 2022	**31 Mar 2021**
Revenues from Contract research services income by geography		
North America	15,396.02	23,359.56
Europe	466.62	76.09
India	46.34	598.96
Others	2,193.17	907.86
	18,102.14	**24,942.47**

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

18 Revenue from operations

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 Mar 2021**
Contract price	18,102.14	24,942.47
Less : Discounts	-	-
Revenue from operations	**18,102.14**	**24,942.47**

19 Employee benefits expense

	For the year ended	
	31 March 2022	**31 Mar 2021**
Salaries and wages	9,392.60	9,171.41
Employee stock compensation expenses	81.56	84.16
Contribution to other funds (note a)	293.16	208.95
Staff welfare expenses	1,614.67	1,440.31
	11,381.99	**10,904.83**

(a) Defined contribution plan

During year ended 31 March 2022, the Company contributed $293.16 (31 March 2021: $208.95) to 401(K) account.

(b) Compensated absences

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 year ended 31 March 2022, the Company has incurred an expense on compensated absences amounting to $93.65 (31 March 2021 $115.69). The Company determines the expense for compensated absences basis the actuarial valuation of the present value of the obligation, using the Projected Unit Credit Method.

20 Finance costs

	For the year ended	
	31 March 2022	**31 Mar 2021**
Interest on borrowings	-	142.83
Interest on lease liabilities	100.72	125.30
	100.72	**268.13**

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

21 Other expenses

	For the year ended	
	31 March 2022	**31 Mar 2021**
Direct expenses:		
Chemicals and consumables	3,026.55	4,234.45
Other direct expenses	455.09	648.61
Indirect expenses:		
Rent	-	-
Repairs to:		
- Buildings	36.82	10.17
- Machinery	448.42	401.53
- Others	16.18	9.67
CAM & Power charges	436.92	383.47
Insurance	66.84	42.05
Rates and taxes	102.57	156.36
Communication expenses	54.02	57.26
Office maintenance expenses	280.91	245.64
Travelling and conveyance	100.85	2.16
Consultancy and professional charges	918.51	711.41
Printing and stationery	13.42	12.67
Provision for doubtful receivables	(155.62)	270.11
Subscription fees	215.99	183.21
Business development expenses	180.92	75.06
Payments to the auditor (refer note a)	10.95	10.95
Miscellaneous expenses	85.51	142.98
	6,294.85	**7,597.76**

(a) Payments to the auditor

	For the year ended	
	31 March 2022	**31 Mar 2021**
-As Auditor	10.95	10.95
	10.95	**10.95**

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

22 Earnings per share (EPS)

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 profit and share data used in the EPS computations:

	For the year ended	
	31 March 2022	**31 March 2021**
Profit for the year	(2,139.97)	4,221.83
Weighted average number of equity shares in calculating basic EPS	1,866,056	1,740,646
Nominal value per equity share	0.0001	0.0001
Effect of dilution:		
Weighted average number of equity shares in calculating diluted EPS	1,866,056	1,740,646
Basic and Diluted earnings per share	(1.15)	2.43

23 Fair value measurements

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

	As at	
	31 March 2022	**31 March 2021**
Financial assets		
Trade receivables	3,140.42	3,716.59
Other financial asset	1.00	-
Cash and cash equivalents	727.13	3,379.46
Total	**3,868.55**	**7,096.05**
Financial liabilities		
Lease liabilities	3,039.41	3,659.06
Current borrowings	-	-
Trade payables	795.07	733.19
Other financial liabilities	1,019.08	1,749.33
Total	**4,853.56**	**6,141.58**

The Company's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, cash and cash equivalents that derive directly from its operations.

(ii) The carrying amounts of trade and other receivables, short-term borrowings, trade and other 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 long-term borrowings, other long-term financial liabilities 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.

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24 Significant accounting judgements, estimates and assumptions

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

Judgements

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

Leases

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

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

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

Useful lives of property, plant and equipment

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

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24 Significant accounting judgements, estimates and assumptions (continued)

Estimates and assumptions

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

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.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered Accordingly the company has not recognised deferred tax asset during the year. Further, the Company has unrecognised deferred tax assets amounting to $ 541.18.

Going concern assumption

As at 31 March 2022, the Company has a net current assets of $1,241.30 (FY21: net current assets:$2,910.01). The Company has earned cash profits (earnings before depreciation and amortisation, before tax) of $582.46 (FY21: $6,607.08) for the year ended 31 March 2022. The management also expects that there will be significant increase in the operations of the Company, leading to improved cashflow which would be further backed by the continuous support from the Holding Company to meet the operational requirements as they arise and meet its liability as and when due. Accordingly, these financial statements does not include any adjustments relating to the recoverability and classification of carrying value of assets or the amounts and classification of liabilities that may be necessary if the entity is unable to continue as a going concern.

Impairment of non-financial assets

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

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets measured at amortised cost, the Company also creates specific provision for impairment loss on a case to case basis.
Loss allowance for financial assets measured at amortised cost are deducted from gross carrying amount of the assets.

25 Financial risk management objectives and policies

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company is exposed to credit risk and liquidity risk. The Company's senior management oversees the management of these risks.

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.

Trade receivables

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

Financial instruments and cash deposits

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

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

25 Financial risk management objectives and policies (continued)

Liquidity risk

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

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

	As at	
	31 March 2022	**31 March 2021**
On demand		
- Borrowings	-	-
Less than 1 Year		
- Borrowings	-	-
- Lease liabilities	606.61	713.45
- Other financial liabilities	1,019.08	1,749.33
- Trade payables	795.07	733.19
1 to 5 years		
- Lease liabilities	2,066.70	2,417.42
More than 5 years		
- Lease liabilities	367.84	858.20

Excessive risk concentration

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

Interest rate risk

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

COVID-19 impact

In spite of the Lockdown announced by the authorities, the operations of the entity are never disrupted as the services rendered by the entity fall under the "Essential activities". Based on the company's analysis of the current indicators of the future economic condition on its business and the estimates used in its financial statements, the Company does not foresee any material impact in the recoverability of the carrying value of the assets. This risk assessment is a continuous process and the Company will continue to monitor the impact of the changes in future economic conditions on its business.

26 Capital management

For the purpose of the Company's capital management, capital includes issued equity share capital, share premium and all other equity reserves attributable to the share holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.
The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. The Company's policy is to keep the gearing ratio in optimal level. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

	As at	
	31 March 2022	**31 March 2021**
Lease liabilities (note 29)	3,039.41	3,659.06
Trade payables (note 15)	795.07	733.19
Other financial liabilities (note 16)	1,019.08	1,749.33
Less: Cash and cash equivalents (note 6)	(727.13)	(3,379.46)
Net debt	**4,126.43**	**2,762.12**
Equity	6,482.81	8,541.22
Total equity	**6,482.81**	**8,541.22**
Gearing ratio	**64%**	**32%**

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

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

27 Ratio analysis

a) Current Ratio = Current Assets divided by Current Liabilities

	31 March 2022	31 March 2021
Current Assets	4,617.67	7,501.76
Current Liabilities	3,376.38	4,591.74
Ratio	**1.37**	**1.63**
% variance from previous year	**-16.29%**	

Reason for variance more than 25%: NA

b) Debt Service Coverage Ratio = Earnings available for debt service divided by interest and lease payments + principal repayments

	31 March 2022	31 March 2021
Net Profit after tax	(2,139.97)	4,221.83
Add: Non cash operating expenses and finance cost		
Depreciation and amortization expense	2,285.67	1,996.42
Finance cost	100.72	268.13
Earnings available for debt service	**246.42**	**6,486.38**
Interest payment	103.30	199.46
Lease payments	619.65	852.25
Total Interest and principal repayments	**722.95**	**1,051.72**
Ratio	**0.34**	**6.17**
% variance from previous year	**-94.47%**	

Reason for variance more than 25%:
Current year has ended up in lossess, leaving less earnings available for debt service and thereby a reduction in the service coverage.

c) Return on Equity Ratio / Return on Investment Ratio = Net profit after taxes - preference dividend divided by average shareholder's equity

	31 March 2022	31 March 2021
Net profit after taxes	(2,139.97)	4,221.83
Less: Preference dividend	-	-
Earning available to equity shareholders	**(2,139.97)**	**4,221.83**
Average Shareholder's Equity	7,512.02	4,761.45
Ratio	**(0.28)**	**0.89**
% variance from previous year	**-132.13%**	

Reason for variance more than 25%:
Current year has ended up in lossess, thereby leading to a negative return on Equity.

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

d) 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	3,481.64	4,883.06
Average Inventory	226.71	104.14
Ratio	**15.36**	**46.89**
% variance from previous year	**-67.25%**	

Reason for variance more than 25%:
Higher procurement and stocking of key material to address the global logistics issues followed by lower value of COGS have resulted in lower ratio.

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

	31 March 2022	31 March 2021
Net Credit Sales	18,102.14	24,942.47
Average Trade Receivables	3,428.51	4,021.26
Ratio	**5.28**	**6.20**
% variance from previous year	**-14.88%**	

Reason for variance more than 25%: NA

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

	31 March 2022	31 March 2021
Net Credit Purchases	3,769.20	4,840.74
Average Trade Payables	764.13	720.29
Ratio	**4.93**	**6.72**
% variance from previous year	**-26.60%**	

Reason for variance more than 25%:
Lower purchases in value and procurements at the end of current year for stocking the inventory have resulted in higher payable amount and thereby decreasing the ratio.

g) 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	18,102.14	24,942.47
Working Capital	1,241.29	2,910.01
Ratio	**14.58**	**8.57**
% variance from previous year	**70.14%**	

Reason for variance more than 25%:
Current year losses resulted in less closing cash balances and receivables compared to previous year and thereby an increase in the turnover ratio.

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

	31 March 2022	31 March 2021
Net profit after taxes	(2,139.97)	4,221.83
Net Sales	18,102.14	24,942.47
Ratio	**(0.12)**	**0.17**
% variance from previous year	**-169.84%**	

Reason for variance more than 25%:
Current year has ended up in lossess, thereby leading to a negative Net profit ratio for the year.

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

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

	31 March 2022	31 March 2021
Profit before tax (A)	(1,803.93)	4,342.53
Finance Costs (B)	100.72	-
EBIT (D) = (A)+(B)	**(1,703.21)**	**4,342.53**
Capital Employed (Pre Cash) (J)=(E)-(F)-(G)-(H)-(I)	**8,894.75**	**8,812.28**
Total Assets (E)	12,998.27	16,783.48
Current Liabilities (F)	3,376.38	4,591.74
Current Investments (G)	-	-
Cash and Cash equivalents (H)	727.13	3,379.46
Bank balances other than cash and cash equivalents (I)	-	-
Ratio (D)/(J)	**(0.19)**	**0.49**
% variance from previous year	**-138.86%**	

Reason for variance more than 25%:
Current year has ended up in lossess, thereby leading to a negative return on capital employed.

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

28 Commitments

	As at	
	31 March 2022	31 March 2021
Estimated amount of contracts amounting	104.80	-

29 Leases

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

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

Particulars	Premises	Equipments	Total
As at 1st April 2020	**4,441.20**	**880.13**	**5,321.33**
Additions during the year	-	-	-
As at 31 March 2021	**4,441.20**	**880.13**	**5,321.33**
Additions during the year	-	-	-
As at 31 March 2022	**4,441.20**	**880.13**	**5,321.33**
Accumulated depreciation			
As at 1st April 2020	570.40	473.66	**1,044.06**
Depreciation	568.84	176.03	**744.87**
As at 31 March 2021	**1,139.24**	**649.69**	**1,788.93**
Depreciation	568.84	123.71	692.55
As at 31 March 2022	**1,708.09**	**773.40**	**2,481.48**
Balance as at 31 March 2022	**2,733.11**	**106.73**	**2,839.85**
Balance as at 31 March 2021	3,301.96	230.44	3,532.40

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 and Interest accrued on Lease liabilities during the year ended 31 March 2022

Particulars	Lease liabilities	Interest accrued
Balance as at 1 April 2020	4,384.81	9.95
Additions	-	-
Finance cost accrued during the year	-	125.30
Payment of lease liabilities	(725.75)	(126.51)
Balance as at 31 March 2021	**3,659.06**	**8.74**
Additions	-	-
Finance cost accrued during the year	-	100.72
Payment of lease liabilities	(619.65)	(100.65)
Balance as at 31 March 2022	**3,039.41**	**8.81**

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

Particulars	31 March 2022	31 March 2021
Less than one year	606.61	713.45
One to five years	2,066.70	2,417.42
More than five years	367.84	858.20
Total undiscounted lease liabilities	**3,041.15**	**3,989.07**

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

Particulars	31 March 2022	31 March 2021
Current	606.61	615.57
Non- current	2,432.80	3,043.49
	3,039.41	**3,659.06**

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 statement of profit or loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on lease liabilities	100.72	125.30
Expenses relating to short-term leases	-	-
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	6.21	6.21
	106.93	**131.51**

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

30 Related party disclosures

a) Name of related parties and nature of relationship

Names of the related parties	Nature of relationship
Related parties	
Aragen Life Sciences Private Limited (formerly known as GVK Biosciences Private Limited)	Holding Company
GVK Biosciences Inc	Fellow Subsidiary
Excelra Knowledge Solutions Private Limited	Fellow Subsidiary
GVK Davix Technologies Private Limited	Ultimate Holding Company
Aragen Lifesciences B.V. (formerly known as GVK Biosciences B.V.)	Fellow Subsidiary
Dr Robert Ruffolo (w.e.f 17 March 2021)	Director
Dr Bruce Schneider (w.e.f 17 March 2021)	Director
Mr. Manmahesh Kantipudi	Key Management Personnel
Dr J B Gupta	Key Management Personnel

b) Transactions with related parties

	As at	
	31 March 2022	**31 March 2021**
Aragen Life Sciences Private Limited		
Interest expense	-	128.34
Shared services	371.43	433.20
Reimbursement of expenses	3,134.64	2,407.96
Purchase of material	169.91	220.38
GVK Biosciences Inc.		
Reimbursement of expenses	-	154.93
Remuneration to Dr Robert Ruffolo	60.00	8.75
Remuneration to Dr Bruce Schneider	35.00	8.75

c) Balances receivable/(payable)

	As at	
	31 March 2022	**31 March 2021**
Aragen Life Sciences Private Limited		
- Corporate guarantee	3,500.00	3,500.00
- Trade receivable	358.14	205.71
- Trade payable	94.96	436.06

31 Segment information

Operating segments

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 Company's revenues and non-current assets by the Company's country of domicile (i.e. USA) 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.

The countrywise segment revenue is disclosed in Note no.18

Non-current operating assets*

	As at	
	31 March 2022	**31 March 2021**
United States of America	8,328.03	9,229.16

*Non-current operating assets includes all the items except financial instruments and tax related assets.

Aragen Bioscience, Inc.
Notes to the financial statements for the year ended 31 March 2022 (continued)
(All amounts in $ Thousands except share data, unless otherwise stated)

32 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 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 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 statements. Considering the continuing uncertainties, the Company will continue to closely monitor any material changes to future economic conditions.

33 Comparatives

Previous year figures are regrouped/reclassified/rearranged, wherever required due to changes in Schedule III requirements.

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

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

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

Arpan Jain
Partner
Membership No. 125710

Place: Hyderabad
27 May 2022

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

Manmahesh Kantipudi
Director

Place: Hyderabad
Date: 26 May 2022