JOSHI GADGIL & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To,
The Directors of
Rubicon Research Canada Limited

Report on the Financial Statements

We have audited the financial statements of **RUBICON RESEARCH CANADA LTD.**, which comprise the Balance Sheet as at **March 31, 2022**, the Statement of Profit and Loss for the year then ended, cash flow statement and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the company in accordance with Accounting Standards and accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

During the year, COVID-19 has impacted negatively on the Business. However, the Management's best estimate does not hamper the ability to continue the company as a 'going concern'.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March, 2022, and its **Profit** for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. We report that:

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

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

(c) The Balance Sheet, the Statement of Profit and Loss and cash flow statement dealt with by this Report are in agreement with the books of account.

(g) In our opinion the Balance Sheet, the statement of profit & loss and cash flow statement comply with the Accounting Standards to the extent applicable:

For, **Joshi Gadgil & Co.,**
Chartered Accountants
FRN: 138022W

JOSHI GADGIL & CO. 138022W CHARTERED ACCOUNTANTS

CA Ketaki Karve
Partner
M. No.: 120651

Place:- Thane
Dated:- 21st July 2022
UDIN: 22120651ANQPSB3373

Rubicon Research Canada Limited
Balance Sheet as at 31 March 2022

	Note	CAD As at 31 March 2022	INR As at 31 March 2022	CAD As at 31 March 2021	INR As at 31 March 2021
I ASSETS					
NON-CURRENT ASSETS					
(a) Property, Plant and Equipment	2	8,43,436	5,10,25,408	8,27,812	4,80,66,150
(b) Goodwill on acquisition		3,57,707	2,16,40,237	3,57,707	2,07,69,936
(c) Other Intangible Assets	3	23,371	14,13,873	37,155	21,57,355
(d) Right to use Assets	2	3,73,775	2,26,12,294	5,77,652	3,35,40,845
(e) Other non current assets	4	84,301	50,99,949	1,95,305	1,13,40,218
SUB-TOTAL		16,82,589	10,17,91,761	19,95,631	11,58,74,504
CURRENT ASSETS					
(a) Inventories	5	3,74,077	2,26,30,574	2,92,135	1,69,62,576
(b) Financial Assets					
(i) Trade Receivables	6	3,95,705	2,39,39,026	5,41,817	3,14,60,111
(iii) Cash and Cash Equivalents	7	6,24,039	3,77,52,576	1,52,369	88,47,167
(iv) Other bank balances	8	10,000	6,04,971	20,101	11,67,135
(v) Other financial assets	9	58,223	35,22,337	16,931	9,83,109
(c) Other Current Assets	10	2,81,733	1,70,44,013	28,428	16,50,633
SUB-TOTAL		17,43,778	10,54,93,496	10,51,781	6,10,70,730
TOTAL		34,26,367	20,72,85,257	30,47,412	17,69,45,234
II EQUITY AND LIABILITIES					
EQUITY					
(a) Equity Share Capital	11	17,32,760	9,44,39,000	17,32,760	9,44,39,000
(b) Other Equity	12	7,99,703	5,87,67,662	3,80,496	2,82,65,314
SUB-TOTAL		25,32,463	15,32,06,662	21,13,256	12,27,04,314
LIABILITIES					
NON-CURRENT LIABILITIES					
(a) Financial Liabilities					
(i) Borrowings	13	60,000	36,29,826	60,000	34,83,846
(ii) Lease Liabilities	14	1,77,726	1,07,51,927	3,78,577	2,19,81,704
SUB-TOTAL		2,37,726	1,43,81,753	4,38,577	2,54,65,550
CURRENT LIABILITIES					
(a) Financial Liabilities					
(ii) Trade Payables	15				
- Total outstanding dues of Micro Enterprises and Small Enterprises		-	-	-	-
- Total outstanding dues of other than Micro Enterprises and Small Enterprises		4,10,387	2,48,27,200	2,53,192	1,47,01,349
(iii) Lease liabilities	14	2,45,791	1,48,69,642	2,42,388	1,40,74,021
SUB-TOTAL		6,56,178	3,96,96,842	4,95,579	2,87,75,370
TOTAL		34,26,367	20,72,85,257	30,47,412	17,69,45,234

The accompanying notes 1 to 36 are an integral part of the Financial Statements

Signature to note above 1 to 36
In terms of our report attached

For Joshi Gadgil & Co
Chartered Accountants
Firm Registration no.- 138022W

Ketaki Karve
Partner
Mem. No.- 120651
UDIN: 22120651ANQPSB3373
Mumbai
Date: 21st July 2022

For and on behalf of Board of Directors of
Rubicon Research Canada Limited
Reg. No.- 002727813

Parag Sancheti
Director
DIN: 07686819
Mumbai
Date: 21st July 2022

Rubicon Research Canada Limited

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

	Particulars	Note	CAD For the Current Year ended 31 March 2022	INR For the Current Year ended 31 March 2022	CAD For the Current Year ended 31 March 2021	INR For the Current Year ended 31 March 2021
I	Revenue from operations	16	36,41,135	21,58,48,645	26,59,469	14,41,61,961
II	Other Income	17	3,464	2,05,335	10,187	5,52,188
III	**Total Revenue (I + II)**		**36,44,598**	**21,60,53,980**	**26,69,655**	**14,47,14,149**
IV	**EXPENSES**					
	(a) Employee benefit expense	18	16,18,939	9,59,71,653	13,64,130	7,39,45,462
	(b) Finance costs	19	55,460	32,87,690	65,539	35,52,660
	(c) Depreciation and amortisation expense	20	3,29,123	1,95,10,629	2,58,998	1,40,39,491
	(d) Other expenses	21	11,01,201	6,52,80,587	6,07,102	3,29,09,202
	Total Expenses (IV)		**31,04,722**	**18,40,50,559**	**22,95,768**	**12,44,46,815**
V	**Profit before exceptional items and tax (III - IV)**		**5,39,876**	**3,20,03,422**	**3,73,887**	**2,02,67,335**
VI	**Tax Expense**					
	(1) Current tax		1,20,669	71,53,331	624	33,839
	(2) Deferred tax		-	-	-	-
	Total tax expense		**1,20,669**	**71,53,331**	**624**	**33,839**
VII	**Profit for the period (V - VI)**		**4,19,207**	**2,48,50,091**	**3,73,263**	**2,02,33,496**
VIII	**Other comprehensive income**		-		-	
	A (i) Items that will not be recycled to profit or loss		-		-	
	(a) Remeasurements of the defined benefit liabilities / (asset)					
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-		-	
	B (i) Items that may be reclassified to profit or loss		-		-	
	(a) Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge					
	(ii) Income tax on items that may be reclassified to profit or loss		-		-	
IX	**Total comprehensive income for the period (VII + VIII)**		**4,19,207**	**2,48,50,091**	**3,73,263**	**2,02,33,496**
X	**Earnings per equity share :**					
	(1) Basic		-	14.34	-	11.68
	(2) Diluted		-	14.34	-	12.69

The accompanying notes 1 to 36 are an integral part of the Financial Statements

Signature to note above 1 to 36
In terms of our report attached

For Joshi Gadgil & Co Chartered Accountants Firm Registration no.- 138022W	For and on behalf of Board of Directors of Rubicon Research Canada Limited Reg. No.- 002727813
Ketaki Karve Partner Mem. No.- 120651 UDIN: 22120651ANQPSB3373	Parag Sancheti Director DIN: 07686819
Mumbai Date: 21st July 2022	Mumbai Date: 21st July 2022

Rubicon Research Canada Limited
Statement of Cash flows for the year ended 31 March 2022

INR

	Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A.	**Cash flow from operating activities**		
	Profit before tax	3,20,03,422	2,02,67,335
	Adjustments for		
	Depreciation and amortisation expense	1,95,10,629	1,40,39,491
	Finance costs	32,87,690	35,52,660
	Unrealised exchage loss/ (gain) on revaluationn (net)		
	Operating cash flows before working capital changes	**5,48,01,741**	**3,78,59,485**
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Inventories	(56,67,998)	(1,69,62,576)
	Trade receivables	75,21,085	(42,89,630)
	Non current assets	62,40,269	(22,11,663)
	Current assets	(1,79,32,608)	(10,60,798)
	Adjustments for increase / (decrease) in operating liabilities:		
	Non current liabilities	(1,12,29,777)	(65,16,937)
	Trade payables	1,01,25,851	1,18,41,111
	Other current liabilities	(15,75,754)	1,26,81,121
	Cash generated from operations	**4,22,82,809**	**3,13,40,114**
	Net Income tax paid	-	-
	Net cash flow generated / (used in) from operating activities	**4,22,82,809**	**3,13,40,114**
B.	**Cash flow from investing activities**		
	Capital expenditure on property, plant and equipment,	(1,07,97,854)	(5,48,41,695)
	Bank balances not considered as cash and cash equivalents (net)	5,62,164	(74,683)
	Net cash flow generated / (used in) from investing activities	**(1,02,35,690)**	**(5,49,16,379)**
C.	**Cash flow from financing activities**		
	Proceeds from issue of equity shares	-	2,28,09,000
	Proceeds from / (repayment of) non current borrowings (net)	1,45,980	34,83,846
	Finance costs	(32,87,690)	(35,52,660)
	Net Cash flow generated / (used in) from financing activities	**(31,41,710)**	**2,27,40,186**
	Net increase / (decrease) in cash and cash equivalents	**2,89,05,409**	**(8,36,078)**
	Cash and cash equivalents as at the beginning of the year	88,47,167	96,83,245
	Cash and cash equivalents as at end of the reporting year	**3,77,52,576**	**88,47,167**

Notes :

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7 (Ind AS -7) "Statement of Cash Flow".
2. Cash comprises cash on hand and current accounts with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), current investments that are convertible into known amounts of cash and which are subject to
3. Previous year figures have been regrouped wherever necessary.

The accompanying notes 1 to 36 are an integral part of the Financial Statements

Signature to note above 1 to 36
In terms of our report attached

For Joshi Gadgil & Co
Chartered Accountants
Firm Registration no.- 138022W

Ketaki Karve
Partner
Mem. No.- 120651
UDIN: 22120651ANQPSB3373

Mumbai
Date: 21st July 2022

For and on behalf of Board of Directors of
Rubicon Research Canada Limited
Reg. No.- 002727813

Parag Sancheti
Director
DIN: 07686819

Mumbai
Date: 21st July 2022

Rubicon Research Canada Limited
Notes to the Balance Sheet for the year ended 31 March 2022

1 Statement of Changes in Equity

A. Equity share capital

Particulars	No. of Shares	CAD	INR
As at 31 March 2021	13,34,000	13,34,000	7,16,30,000
Changes in equity share capital during the year	3,98,760	3,98,760	2,28,09,000
As at 31 March 2021	17,32,760	17,32,760	9,44,39,000
Changes in equity share capital during the year	-	-	-
As at 31 March 2022	17,32,760	17,32,760	9,44,39,000

B. Other Equity

	CAD	INR	INR	INR
Particulars	Reserves and Surplus		Foreign Currency Trans. Reserve	Total Other Equity
	Retained Earnings	Retained Earnings		
As at 31 March 2020	7,233	3,78,282	(44,77,201)	(40,98,919)
Profit / (Loss) for the period	3,73,263	2,02,33,496	1,21,30,737	3,23,64,233
Other Comprehensive Income / (Loss)	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-
As at 31 March 2021	3,80,496	2,06,11,778	76,53,536	2,82,65,314
Profit / (Loss) for the period	4,19,207	2,48,50,091	56,52,257	3,05,02,348
Other Comprehensive Income / (Loss)	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-
As at 31 March 2021	7,99,703	4,54,61,869	1,33,05,793	5,87,67,662

Rubicon Research Canada Limited
Notes to the Balance Sheet for the year ended 31 March 2022

2 Property Plant & Equipment

31 March 2022

CAD

Description of Assets	Leasehold improvements	Office Equipment	Lab equipments	Furniture and fixtures	Computers	Right to Use	TOTAL
I. Gross Carrying Amount							
Balance as at 1 April 2021	23,601	2,266	8,18,102	15,446	48,003	8,32,499	17,39,917
Additions	4,795	3,970	63,383	34,714	18,336	-	1,25,198
Disposals							-
Balance as at 31 Mar 2022	28,396	6,236	8,81,484	50,160	66,339	8,32,499	18,65,114
II. Accumulated depreciation and impairment							
Balance as at 1 April 2021	6,104	1,133	61,681	1,528	9,161	2,54,846	3,34,453
Depreciation expense for the year	5,230	492	83,783	3,621	16,448	2,03,877	3,13,451
Balance as at 31 Mar 2022	11,333	1,625	1,45,464	5,149	25,608	4,58,724	6,47,904
III. Net carrying amount (I-II)	17,063	4,611	7,36,020	45,011	40,731	3,73,775	12,17,210

Rupees

Description of Assets	Leasehold improvements	Office Equipment	Lab equipments	Furniture and fixtures	Computers	Right to Use	TOTAL
I. Gross Carrying Amount							
Balance as at 1 April 2021	13,70,396	1,31,592	4,75,02,329	8,96,829	27,87,263	4,83,38,276	10,10,26,686
Additions	2,84,250	2,35,326	37,57,374	20,57,884	10,86,967	-	74,21,801
Disposals	-	-	-	-	-	-	-
Effect of foreign currency translation	63,255	10,343	20,67,546	79,809	1,39,098	20,25,469	43,85,520
Balance as at 31 Mar 2022	17,17,902	3,77,262	5,33,27,249	30,34,522	40,13,327	5,03,63,745	11,28,34,008
II. Accumulated depreciation and impairment							
Balance as at 1 April 2021	3,54,396	65,792	35,81,451	88,705	5,31,916	1,47,97,432	1,94,19,692
Depreciation expense for the year	3,10,020	29,179	49,66,719	2,14,673	9,75,025	1,20,85,962	1,85,81,578
Effect of foreign currency translation	21,212	3,356	2,51,992	8,122	42,297	8,68,058	11,95,037
Balance as at 31 Mar 2022	6,85,628	98,327	88,00,162	3,11,500	15,49,238	2,77,51,451	3,91,96,306
III. Net carrying amount (I-II)	10,32,275	2,78,935	4,45,27,087	27,23,022	24,64,090	2,26,12,294	7,36,37,702

31 March 2021

CAD

Description of Assets	Leasehold improvements	Office Equipment	Lab equipments	Furniture and fixtures	Computers	Right to Use	TOTAL
I. Gross Carrying Amount							
Balance as at 1 April 2020	14,183	2,266	80,325	1,615	5,910	8,32,499	9,36,798
Additions	9,418	-	7,37,777	13,830	42,094	-	8,03,119
Disposals	-	-	-	-	-		-
Balance as at 31 Mar 2021	23,601	2,266	8,18,102	15,446	48,003	8,32,499	17,39,917
II. Accumulated depreciation and impairment							
Balance as at 1 April 2020	2,482	680	12,049	444	867	67,959	84,481
Depreciation expense for the year	3,622	453	49,632	1,084	8,294	1,86,887	2,49,972
Balance as at 31 Mar 2021	6,104	1,133	61,681	1,528	9,161	2,54,846	3,34,453
III. Net carrying amount (I-II)	17,498	1,133	7,56,421	13,918	38,842	5,77,652	14,05,464

Rupees

Description of Assets	Leasehold improvements	Office Equipment	Lab equipments	Furniture and fixtures	Computers	Right to Use	TOTAL
I. Gross Carrying Amount							
Balance as at 1 April 2020	7,14,116	1,14,110	40,44,362	81,335	2,97,545	4,19,16,300	4,71,67,767
Additions	5,10,544	-	3,99,92,691	7,49,689	22,81,774	-	4,35,34,699
Disposals	-	-	-	-	-	-	-
Effect of foreign currency translation	1,45,737	17,483	34,65,276	65,805	2,07,944	64,21,977	1,03,24,221
Balance as at 31 Mar 2021	13,70,396	1,31,592	4,75,02,329	8,96,829	27,87,263	4,83,38,276	10,10,26,686
II. Accumulated depreciation and impairment							
Balance as at 1 April 2020	1,24,969	34,231	6,06,655	22,364	43,650	34,21,739	42,53,608
Depreciation expense for the year	1,96,312	24,569	26,90,417	58,734	4,49,588	1,01,30,616	1,35,50,237
Effect of foreign currency translation	33,115	6,993	2,84,379	7,606	38,678	12,45,077	16,15,847
Balance as at 31 Mar 2021	3,54,396	65,792	35,81,451	88,705	5,31,916	1,47,97,432	1,94,19,692
III. Net carrying amount (I-II)	10,16,000	65,800	4,39,20,878	8,08,125	22,55,347	3,35,40,845	8,16,06,995

Rubicon Research Canada Limited
Notes to the Balance Sheet for the year ended 31 March 2022

3 Intangible Assets

31 March 2022

CAD

Description of Assets	Software
I. Gross Carrying Amount	
Balance as at 1 April 2021	46,805
Additions	1,888
Balance as at 31 Mar 2022	**48,693**
II. Accumulated depreciation and impairment	
Balance as at 1 April 2021	9,650
Amortisation expense for the year	15,672
Balance as at 31 Mar 2022	**25,322**
III. Net carrying amount (I-II)	**23,371**

Rupees

Description of Assets	Software
I. Gross Carrying Amount	
Balance as at 1 April 2021	27,17,683
Additions	1,14,237
Effect of foreign currency translation	1,13,876
Balance as at 31 Mar 2022	**29,45,796**
II. Accumulated depreciation and impairment	
Balance as at 1 April 2021	5,60,328
Amortisation expense for the year	9,29,051
Effect of foreign currency translation	42,544
Balance as at 31 Mar 2022	**15,31,923**
III. Net carrying amount (I-II)	**14,13,873**

31 March 2021

CAD

Description of Assets	Software
I. Gross Carrying Amount	
Balance as at 1 April 2020	1,578
Additions	45,227
Balance as at 31 Mar 2021	**46,805**
II. Accumulated depreciation and impairment	
Balance as at 1 April 2020	625
Amortisation expense for the year	9,026
Balance as at 31 Mar 2021	**9,650**
III. Net carrying amount (I-II)	**37,155**

Rupees

Description of Assets	Software
I. Gross Carrying Amount	
Balance as at 1 April 2020	79,430
Additions	26,26,083
Effect of foreign currency translation	12,169
Balance as at 31 Mar 2021	**27,17,683**
II. Accumulated depreciation and impairment	
Balance as at 1 April 2020	31,444
Amortisation expense for the year	4,89,254
Effect of foreign currency translation	39,630
Balance as at 31 Mar 2021	**5,60,328**
III. Net carrying amount (I-II)	**21,57,355**

Rubicon Research Canada Limited
Notes to the Balance Sheet as at 31 March 2022

		CAD 31-Mar-22	INR 31-Mar-22	CAD 31-Mar-21	INR 31-Mar-21
4	**Other non-current assets**				
	SR&ED	34,453	20,84,307	1,39,639	81,08,013
	Deposits	47,152	28,52,585	49,756	28,89,029
	Prepaid deposits	2,695	1,63,058	5,910	3,43,176
		84,301	50,99,949	1,95,305	1,13,40,218
5	**Inventories**				
	Inventories	3,74,077	2,26,30,574	2,92,135	1,69,62,576
		3,74,077	2,26,30,574	2,92,135	1,69,62,576
6	**Trade Receivables**				
	Trade receivables	3,95,705	2,39,39,026	5,41,817	3,14,60,111
		3,95,705	2,39,39,026	5,41,817	3,14,60,111
7	**Cash and bank balances**				
	Balances with banks-				
	HSBC Bank	6,17,363	3,73,48,681	1,45,401	84,42,578
	ICICI Bank	6,676	4,03,895	6,812	3,95,543
	RBC	-	-	156	9,046
		6,24,039	3,77,52,576	1,52,369	88,47,167
8	**Other bank balances**				
	Deposits with banks	10,000	6,04,971	20,101	11,67,135
		10,000	6,04,971	20,101	11,67,135
9	**Other current financial assets**				
	Balances with government authorities (HST refund receivable)	14,668	8,87,346	16,931	9,83,109
	Other receivables	43,556	26,34,991		
		58,223	35,22,337	16,931	9,83,109
10	**Other current assets**				
	Prepaid expenses	2,81,733	1,70,44,013	28,428	16,50,633
		2,81,733	1,70,44,013	28,428	16,50,633
11	**Share capital**				
	Issued, subscribed and fully paid-up: 1,732,760 (Previous year: 1,732,760) equity shares of CAD- 1 each, fully paid-up	17,32,760	10,48,26,955	17,32,760	10,06,11,150
		17,32,760	10,48,26,955	17,32,760	10,06,11,150

11 **Share capital (continued)**

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Fresh Issue	Closing Balance
Equity Shares			
Year Ended 31 March 2020			
No. of Shares		13,34,000	13,34,000
Amount		13,34,000	13,34,000
Year Ended 31 March 2021			
No. of Shares	13,34,000	3,98,760	17,32,760
Amount	13,34,000	3,98,760	17,32,760
Year Ended 31 March 2022			
No. of Shares	17,32,760	-	17,32,760
Amount	17,32,760	-	17,32,760

(ii) Details of shares held by the holding company

Particulars	Equity Shares
Year Ended 31 March 2020	
Rubicon Research Private Limited	13,34,000
Year Ended 31 March 2021	
Rubicon Research Private Limited	17,32,760
Year Ended 31 March 2022	
Rubicon Research Private Limited	17,32,760

		CAD 31-Mar-22	INR 31-Mar-22	CAD 31-Mar-21	INR 31-Mar-21
12	**Reserves and surplus**				
	(i) Surplus (Profit and loss balance)				
	At the commencement of the year	3,80,496	2,06,11,778	7,233	3,78,282
	Add : Profit/ (Loss) for the year	4,19,207	2,48,50,091	3,73,263	2,02,33,496
		7,99,703	**4,54,61,869**	**3,80,496**	**2,06,11,778**
	(ii) Foreign Currency translation reserve		1,33,05,793		76,53,536
		7,99,703	**5,87,67,662**	**3,80,496**	**2,82,65,314**
13	**Long term borrowings**				
	Canada Emergency Business Account	60,000	36,29,826	60,000	34,83,846
		60,000	**36,29,826**	**60,000**	**34,83,846**
14	**Lease Liabilities**				
	Non-current	1,77,726	1,07,51,927	3,78,577	2,19,81,704
	Current	2,45,791	1,48,69,642	2,42,388	1,40,74,021
		4,23,517	**2,56,21,569**	**6,20,964**	**3,60,55,725**
15	**Trade payables**				
	Trade payables	4,10,387	2,48,27,200	2,53,192	1,47,01,349
		4,10,387	**2,48,27,200**	**2,53,192**	**1,47,01,349**

Rubicon Research Canada Limited
Notes to Statement of Profit & Loss for the year ended 31 March 2022

		CAD 31-Mar-22	INR 31-Mar-22	CAD 31-Mar-21	INR 31-Mar-21
16	**Revenue from operations**				
	Sale of Services				
	Sale of Services	36,41,135	21,58,48,645	26,59,469	14,41,61,961
		36,41,135	21,58,48,645	26,59,469	14,41,61,961
17	**Other Income**				
	Interest income	3,464	2,05,335	2,966	1,60,772
	Foreign exchange gain (net)	-	-	7,221	3,91,416
		3,464	2,05,335	10,187	5,52,188
18	**Employee benefits expense**				
	Salaries, wages and bonus	14,84,399	8,79,96,050	12,68,057	6,87,37,611
	Contribution to provident and other funds	1,34,540	79,75,602	96,073	52,07,851
		16,18,939	9,59,71,653	13,64,130	7,39,45,462
19	**Finance costs**				
	Interest cost on Finance lease obligation	44,941	26,64,118	54,954	29,78,913
	Other Borrowing Costs (includes bank charges)	10,519	6,23,572	10,584	5,73,747
		55,460	32,87,690	65,539	35,52,660
20	**Depreciation & amortisation**				
	Depreciation & amortisation	3,29,123	1,95,10,629	2,58,998	1,40,39,491
		3,29,123	1,95,10,629	2,58,998	1,40,39,491
21	**Other expenses**				
	Product development costs	7,21,348	4,27,61,943	2,82,671	1,53,22,778
	Laboratory expenses	1,84,034	1,09,09,629	1,33,311	72,26,396
	Electricity Expenses	46,919	27,81,402	39,808	21,57,874
	Rent	14,009	8,30,456	9,334	5,05,949
	Repairs and maintenance	24,688	14,63,510	31,870	17,27,601
	Insurance	17,280	10,24,369	15,149	8,21,157
	Rates and taxes	-	-	2,560	1,38,770
	Travelling expenses	8,695	5,15,423	3,039	1,64,717
	Training expenses	1,846	1,09,408	9,345	5,06,581
	Legal and professional charges	15,861	9,40,220	26,575	14,40,555
	Audit Fees	620	37,500	2,067	1,12,029
	Telephone and communication expenses	8,248	4,88,946	7,188	3,89,660
	Office utilities and services	48,899	28,98,780	40,125	21,75,084
	Membership & subscription	2,195	1,30,145	3,200	1,73,483
	Foreign exchange gain (net)	5,913	3,50,519	-	-
	Miscellaneous expenses	647	38,337	859	46,568
		11,01,201	6,52,80,587	6,07,102	3,29,09,202

22 Revenue from contracts with customers

a The operations of the Company are providing pharmaceutical research and development services.

b Disaggregation of revenue:

Nature of Segment	For the Year ended 31 March 2022	For the Year ended 31 March 2021
A. Major Product/Service line:		
- Sale of pharmaceutical goods		
- Income from research services	21,58,48,645	14,41,61,961
- Export benefits, royalty, business compensation		
Total revenue from contracts with customers	21,58,48,645	14,41,61,961
B. Primary geographical market:		
- India	21,58,48,645	14,41,61,961
- USA		
- Others		
Total revenue from contracts with customers	21,58,48,645	14,41,61,961
C. Timing of the revenue recognition:		
- Goods/Services transferred at a point in time		
- Services transferred over time	21,58,48,645	14,41,61,961
Total revenue from contracts with customers	21,58,48,645	14,41,61,961

23 Auditors' Remuneration

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Payment to Auditors* :		
a As Auditors	37,500	1,12,029
b For tax audit	-	-
c For other services including certification	-	-
Total	37,500	1,12,029

* Excluding Goods and Service Tax and Swachh Bharat Cess

24 Information about leases for which the Company is lessee is presented below:

Right to use assets

Particulars	2021-22		2020-21	
	CAD	INR	CAD	INR
Carrying amount of:				
Right-of-Use: Buildings	3,73,775	2,26,12,294	5,77,652	3,35,40,845

Particulars	Right-of-Use: CAD	Right-of-Use: INR
Cost		
Balance at April 1, 2020	8,32,499	4,19,16,300
Additions		
Disposal / Derecognized during the year		
Translation difference		64,21,977
Balance at March 31, 2021	**8,32,499**	**4,83,38,276**
Additions	-	-
Disposal / Derecognized during the year	-	-
Translation difference		20,25,469
Balance at March 31, 2022	**8,32,499**	**5,03,63,745**
Accumulated depreciation		
Balance at April 1, 2020	67,959	34,21,739
Depreciation expense	1,86,887	1,01,30,616
Disposal / Derecognized during the year		
Translation difference		12,45,077
Balance at March 31, 2021	**2,54,846**	**1,47,97,432**
Depreciation expense	2,03,877	1,20,85,962
Disposal / Derecognized during the year	-	-
Translation difference		8,68,058
Balance at March 31, 2022	**4,58,724**	**2,77,51,451**
Balance at March 31, 2022	**3,73,775**	**2,26,12,294**
Balance at April 1, 2021	**5,77,652**	**3,35,40,845**

Lease Liabilities

Particulars	Right-of-Use: CAD	Right-of-Use: INR
Balance at April 1, 2020	7,79,127	4,14,53,382
Addition		
Accreditation of interest	54,954	29,78,913
Payments	(2,13,117)	(83,76,570)
Adjustments for Disposals		
Balance at April 1, 2021	6,20,964	3,60,55,725
Addition	-	-
Accreditation of interest	44,941	26,64,118
Payments	(2,42,388)	(1,30,98,274)
Adjustments for Disposals	-	-
Balance at March 31, 2022	**4,23,517**	**2,56,21,569**
Current	2,45,791	1,48,69,642
Non-current	1,77,726	1,07,51,927

Amounts recognised in profit and loss

Particulars	31.3.2022 CAD	31.3.2022 INR	31.3.2021 CAD	31.3.2021 INR
Depreciation expense of right-of-use assets	2,03,877	1,20,85,962	1,86,887	1,01,30,616
Interest expense on lease liabilities	44,941	26,64,118	54,954	29,78,913
Total	**2,48,818**	**1,47,50,080**	**2,41,842**	**1,31,09,528**

25 Basic and Diluted Earnings per Share is calculated as under:

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Profit attributable to Equity Shareholders (₹ lakhs)	2,48,50,091	2,02,33,496
Weighted average number of Equity Shares		
- Basic	17,32,760	17,32,760
Add : Effect of dilutive issue of employees stock options (ESOPs) - converted during the year and ESOPs		
- Diluted	17,32,760	15,94,013
Earnings per Share (in ₹)		
- Basic	14.34	11.68
- Diluted	14.34	12.69

26 The information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

₹ in lakhs

	Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
i.	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	-	-
ii.	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iii.	The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
iv.	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
v.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

27 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.
The Company monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash and cash equivalents, other bank balances and current investments.

The Company intends to keep the ratio below 1.5 : 1. The Company's adjusted net debt to total equity ratio was as follows

Particulars	As at 31 March 2022	As at 31 March 2021
Total borrowings	36,29,826	34,83,846
Less : Cash and cash equivalent	3,77,52,576	88,47,167
Less : Other Bank Balances	-	-
Less : Current Investments	-	-
Adjusted net debt	(3,41,22,750)	(53,63,321)
Total equity	9,44,39,000	9,44,39,000
Adjusted net debt to total equity ratio	(0.36)	(0.06)

28 Trade Payable

	Particulars	Note due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i	MSME	-	-	-	-	-	-
ii	Others	-	-	-	-	-	-
iii	Disputed dues - MSME	-	-	-	-	-	-
iv	Disputed dues - Others	-	-	-	-	-	-
		-	-	-	-	-	-

29 Trade Receivable

	Particulars	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
i	Undisputed Trade Receivables - considered good	-	2,39,39,026	-	-	-	-	2,39,39,026
ii	Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
iii	Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
iv	Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
		-	2,39,39,026	-	-	-	-	2,39,39,026

30 Related Party Disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

A **Relationships**

Category I: Fellow Subsidiaries:
Advagen Pharma Limited (USA)
Rubicon Consumer Healthcare Private Limited
Rubicon Academy LLP (with effect from 03 July 2020)
Rubicon Research Private Limited (Singapore) (with effect from 19 October 2020)
Advatech Biopharma Limited (USA) (with effect from 10 December 2020)
Kia Health Tech Pvt Ltd (with effect from 19 July 2021) (formerly named, Kia Biopharma Technologies Pvt Ltd)

Category II: Holding Company:
Rubicon Research Private Limited

Category II: Ultimate Holding Company:
General Atlantic Singapore RR PTE Ltd

B **Transactions with the related parties**

Transactions	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Holding Company		
Rubicon Research Private Limited		
Service fees Income	21,58,48,645	14,41,61,961

Terms and conditions of transactions with related parties:
The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended 31 March 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2021- ₹ nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

C Balances due from/to the related parties

Balances	As at 31 March 2022	As at 31 March 2021
Holding Company		
Rubicon Research Private Limited		
Equity Share Capital	9,44,39,000	9,44,39,000
Trade Receivables	2,39,39,026	3,14,60,111

31 No borrowing cost has been capitalised during the year (year ended 31 March 2021 ₹ nil).

32 Ratios

	31 March 2022	31 March 2021	% variation	Reason for variation
Current ratio	2.66	2.12	25%	Refer Note 1
Debt-Equity ratio	0.02	0.03	-17%	Refer Note 2
Debt service coverage ratio	0.21	9.84	-98%	Refer Note 3
Return on equity ratio	0.00	0.16	-98%	Refer Note 4
Trade receivable turnover ratio	7.79	4.58	70%	
Trade payable turnover ratio	3.30	2.24	48%	Refer Note 5
Net capital turnover ratio	3.28	4.46	-27%	Refer Note 6
Net profit ratio	12%	14%	-18%	Refer Note 7

Reason for variation

1 Reduction is primarily due to increase in the current borrowings.
2 The increase is primarily due to increase in borrowings, coupled with lower profits for the year.
3 Reduction is primarily due to lower profits for the year.
4 Reduction is primarily due to lower profits for the year.
5 Reduction is primarily due to increased purchases of materials during the year.
6 The improement is mainly due to the higher sales during the year.
7 Reduction is primarily due to lower profits for the year which is turn is result of higher cost of goods sold, and increased expenditure on research and development and towards employee costs.
8 Reduction is primarily due to increase in borrowings, coupled with lower profits for the year.

Numerators and Denominators considered for the aforesaid ratios:

Ratio	Numerator	Denominator
Current ratio	Current Assets	Current Liabilities
Debt-Equity ratio	Debt	Equity
Debt service coverage ratio	Earnings available for debt service *	Debt Service **
Return on equity ratio	Net Profits after taxes	Average Shareholder's Equity
Inventory turnover ratio	Sale of Goods	Average Accounts Receivable
Trade receivable turnover ratio	Revenue from operation	Average Accounts Receivable
Trade payable turnover ratio	Purchase of materials	Average Trade Payables
Net capital turnover ratio	Revenue from operation	Working Capital
Net profit ratio	Net Profit	Revenue from operation
Return on capital employed	Earning before interest and taxes	Capital Employed ***

* Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Property, Plant and Equipment and intangible assets, etc.

** Debt service = Interest + Principal Repayments

*** Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability - Deferred Tax Assets

33 Other Statutory information

i There are no balance outstanding on account of any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

ii The Company do not have any capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan.

iii The Company has not given any advance or loan or invested funds to any person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries), or
b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

iv The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding party) with the understanding (whether recorded in writing or otherwise) that the company shall:
a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries), or
b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

v The company does not have any transaction which is not recorded in the books of account and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

34 The Company has taken into consideration the impact of COVID-19 on various elements of its financial statements basis the available external and internal information and is of the view that the events do not have any material implication for the Company.

35 Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure and pursuant to adoption of Ind AS.

36 These standalone financial statements were authorized for issues by the Company's Board of Directors on 21st July 2022.

1A. OVERVIEW:

Rubicon Research Canada Limited ('the Company') incorporated in 2020, is in to business of serving consumers with healthcare products which are innovative, easy to use in day to day life.

Company's team of researchers and formulation experts combine the best science with high quality ingredients to make world class products, focused on improving overall wellness.

1B. SIGNIFICANT ACCOUNTING POLICIES:

a) Basis of accounting and preparation of Standalone Financial Statements:

Basis of accounting

i) These standalone financial statements of the Company have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under section 133 of the Companies Act, 2013 ('the Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and accounting principles generally accepted in India. These standalone financial statements were authorized for issue by the Company's Board of Directors on 21st July 2022.

Functional and Presentation Currency

ii) These standalone financial statements are presented in Indian rupees, which is the functional currency of the Company.

Basis of measurement

iii) These standalone financial statements are prepared under the historical cost convention except for the following assets and liabilities which have been measured at fair value or revalued amount.

a) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments, 'g' below)

b) Defined benefit plans

Use of Estimates and Judgements

iv) The preparation of the Standalone Financial Statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the Standalone Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialize. Estimates and underlying assumptions are reviewed on an ongoing basis.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the accounting policies.

- Measurement of defined benefit obligations (Refer note k)
- Measurement and likelihood of occurrence of provisions and contingencies (Refer note n)
- Recognition of deferred tax assets (Refer note h)
- Useful lives of property, plant, equipment and Intangibles (Refer note b& c)
- Impairment of Intangibles (Refer note e)
- Impairment of financial assets (Refer note g)

b) **Property, Plant and Equipment& Depreciation**

I. Recognition and Measurement:

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Company incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.
- Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognized in Statement of Profit and Loss. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

The Company has elected to continue with the carrying value of all its property, plant and equipment as recognized in the standalone financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in Statement of Profit and Loss.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

II. *Subsequent Expenditure*

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.Only when it meets the recognition criteria as per Ind AS 16 – Property, Plant and Equipment.

III. *Depreciation*

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value and the estimated residual values are materially insignificant.

Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Act or as per the estimates of the Company if it is different than Schedule II to the Act.

Particulars	Estimated Useful Life
Buildings	*30 years*
Plant and machinery	*15 years*
Office equipments	*5 years*
Lab equipments	*10 years*
Furniture and fixtures	*10 years*
Computers	*3-6 years*
Vehicles	*8 years*

Depreciation method, useful live and residual values are reviewed at each financial year end and adjusted if appropriate.

Leasehold land and leasehold improvements are amortised over the period of the lease.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e from (upto) the date on which asset is ready for use (disposed of).

Individual assets with cost upto Rs.20,000 are fully depreciated in the year of acquisition.

c) **Intangible assets**

I. *Recognition and Measurement:*

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises of its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use.

Expenditure on research and development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

The Company has elected to continue with the carrying value of all its intangible assets as recognized in the standalone financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.

II. Subsequent Expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

III. Amortisation

Intangible assets are amortised over their estimated useful life on Straight Line Method as follows:

Particulars	Estimated Useful Life
Trademark	10years

The estimated useful lives of intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern, if any.

d) **Impairment of assets**

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.
When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

e) **Financial Instruments**

I. Financial Assets

<u>Classification</u>

On initial recognition the Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plustransaction 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.

Financial assets at amortised cost

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
ii) 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.

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 and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Financial assets included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

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:

  i) the Company has transferred substantially all the risks and rewards of the asset, or
  ii) 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. In that case, the Company also recognises an associated liability. The transferred

asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.
Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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 following financial assets and credit risk exposure:

i) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
ii) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

II. Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities measured at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value with changes in fair value being recognised in the Statement of Profit and Loss.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, at amortised cost (loans, borrowings and 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.

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. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

Intercompany Borrowing -

Holding company has sanctioned a loan to be given in tranches. The first tranch is received in current year.
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised.

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 interest-bearing loans and borrowings.

Derecognition

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

f) **Income tax**

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates items recognised directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if, the Company:

i) has a legally enforceable right to set off the recognised amounts; and
ii) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

g) **Inventories**

Inventories of all procured materials and Stock-in-Trade are valued at the lower of cost (on moving weighted average basis) and the net realisable value.

h) **Revenue Recognition**

Sale of Goods

Sale of goods takes place through online portals, company website and over the counter in retail. The majority of the Company's contracts related to product sales include only one performance obligation, which is to deliver products to customers based on purchase orders received. Revenue from sales of products is recognized at a point in time when control of the products is transferred to the customer, generally upon delivery, which the Company has determined is when physical possession, legal title and risks and rewards of ownership of the products transfer to the customer and the Company is entitled to payment. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreements. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable (after including fair value allocations related to multiple deliverable and/or linked arrangements), net of returns, sales tax/GST and applicable trade discounts and allowances. Revenue includes shipping and handling costs billed to the customer.

Interest income

Interest income is recognised with reference to the Effective Interest Rate method.

i) **Employee Benefits**

Short term employee benefits

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

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided and the Company will have no legal or constructive obligation to pay further amounts. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed periodically by an independent qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company , the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in

Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Company's s net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is measured on the basis of a periodical independent actuarial valuation using the projected unit credit method. Remeasurement are recognised in Statement of Profit and Loss in the period in which they arise.

j) **Provisions and Contingent Liabilities**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. If effect of the time value of money is material, provisions are discounted using an appropriate discount rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

k) **Borrowing costs**

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate (EIR) applicable to the respective borrowing. Borrowing costs include interest costs measured at EIR and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, allocated to qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

All other borrowing costs are recognised as an expense in the period which they are incurred.

l) **Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

m) **Goods and Service tax input credit:**

Goods and Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

n) **Segment reporting**

The Company operates in one reportable business segment i.e. "Healthcare Products".

o) **Operating cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.