

Report on the Special Purpose Audit of Financial Statements

To,
The Directors of
Rubicon Research Canada Ltd.

We have conducted special purpose audit of financial statements of **Rubicon Research Canada Ltd.** ("the Company"), which comprise the Balance sheet as of 31 March 2024, and the Profit and loss and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information. These special purpose financial statements have been prepared by the management of the company solely for the purpose of preparation of consolidated financial statements of its parent company, Rubicon Research Private Limited.

These financials have been prepared for the limited purpose of submission of Rubicon Research Private Limited (Ultimate parent company) for the purpose of preparation of its consolidated financial statements. As a result, these special purpose financial statements are not suitable for any other purpose. Our report on the same is intended solely for use of Rubicon Research Private Limited and should not be distributed to or used by other parties.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give the information in the manner so required for the purpose of consolidation with the parent company and give a true and fair view, of the state of affairs of the Company as at 31 March 2024, and loss and cash flows and changes in equity for the year ended on that date.

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. 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 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 user taken on the basis of this financial statement.

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

- Identify & assess the risk of material misstatement of the financial statement, whether due to fraud and error, design and performance of audit procedure responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide basis of 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Materiality is the magnitude of misstatements in the special purpose financial statements that individually or in the aggregate, makes it probable that economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in planning the scope of our audit, evaluating the results of our work, and evaluating the effect of any identified misstatements in special-purpose financial statements.

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

Ketaki Karve

CA Ketaki Karve
Partner
M. No.: 120651



Place:- Thane
Dated:- June 27, 24
UDIN: 24120651BKBJTX9189

Rubicon Research Canada Limited
Balance Sheet as at 31 March 2024

	Note	CAD As at 31 March 2024	INR As at 31 March 2024	CAD As at 31 March 2023	INR As at 31 March 2023
I ASSETS					
NON-CURRENT ASSETS					
(a) Property, Plant and Equipment	2	6,33,254	3,89,59,496	7,38,647	4,48,01,895
(b) Goodwill on acquisition		3,57,707	2,20,07,100	3,57,707	2,16,96,360
(c) Other Intangible Assets	3	567	34,884	7,641	4,63,457
(d) Right to use Assets	2	8,91,777	5,48,64,506	1,69,899	1,03,05,054
(e) Other non current assets	4	63,553	39,09,953	50,274	30,49,319
(f) Non Current Tax assets (net)		66,332	40,80,924	34,453	20,89,712
SUB-TOTAL		20,13,190	12,38,56,863	13,58,621	8,24,05,797
CURRENT ASSETS					
(a) Inventories	5	7,33,230	4,51,10,289	3,94,840	2,39,48,625
(b) Financial Assets					
(i) Trade Receivables	6	36,42,387	22,40,89,483	10,30,989	6,25,33,607
(ii) Cash and Cash Equivalents	7	1,28,540	79,08,128	2,02,570	1,22,86,680
(iii) Other bank balances	8	10,000	6,15,227	10,000	6,06,540
(iv) Other financial assets	9	28,728	17,67,424	23,845	14,46,295
(c) Other Current Assets	10	31,37,071	19,30,01,078	11,48,693	6,96,72,825
SUB-TOTAL		76,79,956	47,24,91,629	28,10,937	17,04,94,572
TOTAL		96,93,146	59,63,48,492	41,69,558	25,29,00,369
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	13,41,704	9,47,10,305	10,97,346	7,72,18,247
SUB-TOTAL		30,74,464	18,91,49,305	28,30,106	17,16,57,247
LIABILITIES					
NON-CURRENT LIABILITIES					
(a) Financial Liabilities					
(i) Borrowings	13	-	-	-	-
(ii) Lease Liabilities	14	6,01,712	3,70,18,947	-	-
(iii) Other Financial Liabilities	15	11,05,752	6,80,28,849	-	-
SUB-TOTAL		17,07,464	10,50,47,796	-	-
CURRENT LIABILITIES					
(a) Financial Liabilities					
(i) Borrowings	16	-	-	60,000	36,39,240
(ii) Trade Payables	17	-	-	-	-
- Total outstanding dues of Micro Enterprises and Small Enterprises		-	-	-	-
- Total outstanding dues of other than Micro Enterprises and Small Enterprises		21,37,698	13,15,16,953	1,43,666	87,13,918
(iii) Lease liabilities	14	2,83,383	1,74,34,487	2,05,297	1,24,52,084
(iv) Other Current Liabilities	18	24,40,938	15,01,73,096	9,30,489	5,64,37,880
(v) Current tax liabilities (net)		49,199	30,26,855	-	-
SUB-TOTAL		49,11,218	30,21,51,391	13,39,452	8,12,43,122
TOTAL		96,93,146	59,63,48,492	41,69,558	25,29,00,369

The accompanying notes 1 to 37 are an integral part of the Financial Statements.

In terms of our report attached

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



Ketaki Karve
Partner
Mem. No.- 120651
UDIN: 24120651BKBJTX9189

Thane
Date: 27th June, 2024

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

Parag Sancheti
Director
DIN: 07686819

Thane
Date: 27th June, 2024

Rubicon Research Canada Limited
Statement of Profit and Loss for the year ended 31 March 2024

Particulars	Note	CAD	INR	CAD	INR
		For the Current Year ended 31 March 2024	For the Current Year ended 31 March 2024	For the Current Year ended 31 March 2023	For the Current Year ended 31 March 2023
I Revenue from operations	19	62,38,132	38,10,77,191	28,40,003	17,20,34,744
II Other Income	20	52,898	32,31,451	33,231	20,12,986
III Total Revenue (I + II)		62,91,030	38,43,08,642	28,73,234	17,40,47,730
IV EXPENSES					
(a) Employee benefit expense	21	29,57,181	18,06,49,308	12,77,037	7,73,57,219
(b) Finance costs	22	36,814	22,48,906	37,582	22,76,550
(c) Depreciation and amortisation expense	23	3,35,628	2,05,02,961	3,36,396	2,03,77,371
(d) Other expenses	24	26,99,729	16,49,21,989	8,83,001	5,34,88,223
Total Expenses (IV)		60,29,352	36,83,23,164	25,34,016	15,34,99,363
V Profit before exceptional items and tax (III - IV)		2,61,678	1,59,85,478	3,39,218	2,05,48,367
VI Tax Expense					
(1) Current tax		-	-	41,575	25,18,428
(2) Tax for earlier years		17,320	10,58,050	-	-
(3) Deferred tax		-	-	-	-
Total tax expense		17,320	10,58,050	41,575	25,18,428
VII Profit for the period (V - VI)		2,44,358	1,49,27,428	2,97,643	1,80,29,939
VIII Other comprehensive income					
IX Total comprehensive income for the period (VII + VIII)		2,44,358	1,49,27,428	2,97,643	1,80,29,939
X Earnings per equity share :					
(1) Basic			8.61		10.41
(2) Diluted			8.61		10.41

The accompanying notes 1 to 37 are an integral part of the Financial Statements.

Signature to note above 1 to 37
In terms of our report attached

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



Ketaki Karve
Partner
Mem. No.- 120651
UDIN: 2412065713KBJTX9189

Thane
Date: 27th June, 2024

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

Parag Sancheti
Director
DIN: 07686819

Thane
Date: 27th June, 2024

Rubicon Research Canada Limited
Statement of Cash flows for the year ended 31 March 2023

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
A. Cash flow from operating activities		
Profit before tax	1,59,85,478	2,05,48,367
Adjustments for:		
Depreciation and amortisation expense	2,05,02,961	2,03,77,371
Finance costs	22,48,906	22,76,550
Operating cash flows before working capital changes	3,87,37,345	4,32,02,288
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(2,11,61,664)	(13,18,112)
Trade receivables	(16,15,55,876)	(3,85,94,602)
Non current assets	(8,60,634)	20,50,587
Current assets	(12,36,49,382)	(5,05,52,708)
Adjustments for increase / (decrease) in operating liabilities:		
Non current liabilities	10,50,47,796	(1,07,51,908)
Trade payables	12,28,03,035	(31,69,285)
Other current liabilities	10,09,71,509	4,14,40,878
Cash generated from operations	6,03,32,129	(1,76,92,862)
Net Income tax paid	19,68,805	(25,18,428)
Net cash flow generated / (used in) from operating activities	6,23,00,934	(2,02,11,290)
B. Cash flow from Investing activities		
Capital expenditure on property, plant and equipment,	(5,87,91,441)	(8,96,163)
Bank balances not considered as cash and cash equivalents (net)	(8,687)	(1,569)
Net cash flow generated / (used in) from Investing activities	(5,88,00,128)	(8,97,732)
C. Cash flow from financing activities		
Proceeds from / (repayment of) non current borrowings (net)		(36,29,826)
Proceeds from / (repayment of) short term borrowings (net)	(36,39,240)	36,39,240
Finance costs	(22,48,906)	(22,76,550)
Net Cash flow generated / (used in) from financing activities	(58,88,146)	(22,67,136)
Net increase / (decrease) in cash and cash equivalents	(23,87,340)	(2,33,76,158)
Cash and cash equivalents as at the beginning of the year	1,22,86,680	3,77,52,550
Cash and cash equivalents as at end of the reporting year	79,08,128	1,22,86,680

Notes :

- 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".
- 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 insignificant risk of changes in value.
- Previous year figures have been regrouped wherever necessary.

The accompanying notes 1 to 37 are an integral part of the Financial Statements.
In terms of our report attached

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

Karve

Ketaki Karve
Partner
Mem. No.- 120651
UDIN: 241206510KBJTX9189

Thane
Date: 27th June, 2024



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

Parag Sancheti

Parag Sancheti
Director
DIN: 07666819

Thane
Date: 27th June, 2024

1 Statement of Changes in Equity

A. Equity share capital

Particulars	No. of Shares	CAD	INR
As at 31 March 2022	13,34,000	13,34,000	9,44,39,000
Changes in equity share capital during the year	-	-	-
As at 31 March 2023	13,34,000	13,34,000	9,44,39,000
Changes in equity share capital during the year	-	-	-
As at 31 March 2024	13,34,000	13,34,000	9,44,39,000

B. Other Equity

Particulars	CAD	INR	INR	INR
	Reserves and Surplus		Foreign Currency Trans. Reserve	Total Other Equity
	Retained Earnings	Retained Earnings		
As at 31 March 2022	7,99,703	4,54,61,867	1,33,05,800	5,87,67,667
Profit / (Loss) for the period	2,97,643	1,80,29,939	4,20,641	1,84,50,580
Other Comprehensive Income / (Loss)	-	-	-	-
Total Comprehensive Income for the year	2,97,643	1,80,29,939	4,20,641	1,84,50,580
As at 31 March 2023	10,97,346	6,34,91,806	1,37,26,441	7,72,18,247
Profit / (Loss) for the period	2,44,358	1,49,27,428	25,64,630	1,74,92,058
Other Comprehensive Income / (Loss)	-	-	-	-
Total Comprehensive Income for the year	2,44,358	1,49,27,428	25,64,630	1,74,92,058
As at 31 March 2024	13,41,704	7,84,19,234	1,62,91,071	9,47,10,305



2 Property Plant & Equipment

31 March 2024 CAD

Description of Assets	Leasehold Improvements	Office Equipment	Lab equipments	Furniture and fixtures	Computers	Right of use	TOTAL
I. Gross Carrying Amount							
Balance as at 1 April 2023	28,396	6,974	8,85,746	54,535	68,966	8,32,499	18,77,116
Additions	-	-	-	-	10,518	9,29,725	9,40,243
Disposals	-	-	-	-	-	8,32,499	8,32,499
Balance as at 31 Mar 2024	28,396	6,974	8,85,746	54,535	79,484	9,29,725	19,84,860
II. Accumulated depreciation and impairment							
Balance as at 1 April 2023	17,014	2,710	2,31,344	10,381	44,521	6,62,600	9,68,570
Depreciation expense for the year	5,679	1,169	88,577	5,454	15,032	2,12,646	3,28,557
Disposals/ Adjustments	-	-	-	-	-	8,37,298	8,37,298
Balance as at 31 Mar 2024	22,693	3,879	3,19,921	15,835	59,553	37,948	4,59,829
III. Net carrying amount (I-II)	5,703	3,095	5,65,825	38,700	19,931	8,91,777	15,25,031

INR

Description of Assets	Leasehold Improvements	Office Equipment	Lab equipments	Furniture and fixtures	Computers	Right of use	TOTAL
I. Gross Carrying Amount							
Balance as at 1 April 2023	17,22,331	4,23,001	5,37,24,038	33,07,766	41,83,064	5,04,94,394	11,38,54,594
Additions	-	-	-	-	6,47,096	5,71,99,169	5,78,46,265
Disposals	-	-	-	-	-	5,12,17,586	5,12,17,586
Effect of foreign currency translation	24,668	6,058	7,69,448	47,375	59,911	7,23,192	16,30,651
Balance as at 31 Mar 2024	17,46,999	4,29,059	5,44,93,485	33,55,140	48,90,070	5,71,99,169	12,21,13,924
II. Accumulated depreciation and impairment							
Balance as at 1 April 2023	10,31,967	1,64,372	1,40,31,939	6,29,649	27,00,377	4,01,89,340	5,87,47,645
Depreciation expense for the year	3,46,921	71,412	54,11,023	3,33,176	9,18,280	1,29,90,193	2,00,71,005
Disposals/ Adjustments	-	-	-	-	-	5,11,49,153	5,11,49,153
Effect of foreign currency translation	17,246	2,862	2,39,442	11,387	45,205	3,04,283	6,20,425
Balance as at 31 Mar 2024	13,96,135	2,38,647	1,96,82,404	9,74,212	36,63,861	23,34,663	2,82,89,922
III. Net carrying amount (I-II)	3,50,864	1,90,413	3,48,11,082	23,80,928	12,26,209	5,48,64,506	9,38,24,002

31 March 2023 CAD

Description of Assets	Leasehold Improvements	Office Equipment	Lab equipments	Furniture and fixtures	Computers	Right of use	TOTAL
I. Gross Carrying Amount							
Balance as at 1 April 2022	28,396	6,236	8,81,485	50,160	66,339	8,32,499	18,65,115
Additions	-	738	4,261	4,375	2,627	-	12,001
Disposals	-	-	-	-	-	-	-
Balance as at 31 Mar 2023	28,396	6,974	8,85,746	54,535	68,966	8,32,499	18,77,116
II. Accumulated depreciation and impairment							
Balance as at 1 April 2022	11,334	1,625	1,45,464	5,149	25,609	4,58,723	6,47,904
Depreciation expense for the year	5,680	1,085	85,880	5,232	18,912	2,03,877	3,20,666
Balance as at 31 Mar 2023	17,014	2,710	2,31,344	10,381	44,521	6,62,600	9,68,570
III. Net carrying amount (I-II)	11,382	4,264	6,54,402	44,154	24,445	1,69,899	9,08,546

INR

Description of Assets	Leasehold Improvements	Office Equipment	Lab equipments	Furniture and fixtures	Computers	Right of use	TOTAL
I. Gross Carrying Amount							
Balance as at 1 April 2022	17,17,876	3,77,260	5,33,27,286	30,34,535	40,13,317	5,03,63,775	11,28,34,049
Additions	-	44,705	2,58,112	2,65,018	1,59,132	-	7,26,967
Disposals	-	-	-	-	-	-	-
Effect of foreign currency translation	4,455	1,036	1,38,639	8,213	10,615	1,30,619	2,93,578
Balance as at 31 Mar 2023	17,22,331	4,23,001	5,37,24,038	33,07,766	41,83,064	5,04,94,394	11,38,54,594
II. Accumulated depreciation and impairment							
Balance as at 1 April 2022	6,85,674	98,308	88,00,150	3,11,500	15,49,270	2,77,51,411	3,91,96,313
Depreciation expense for the year	3,44,069	65,724	52,02,228	3,16,931	11,45,605	1,23,49,961	1,94,24,518
Effect of foreign currency translation	2,224	341	29,561	1,219	5,502	87,968	1,26,814
Balance as at 31 Mar 2023	10,31,967	1,64,372	1,40,31,939	6,29,649	27,00,377	4,01,89,340	5,87,47,645
III. Net carrying amount (I-II)	6,90,364	2,58,629	3,96,92,099	26,78,117	14,82,687	1,03,05,054	5,51,06,949



3 Intangible Assets

31 March 2024		CAD
Description of Assets	Software	
I. Gross Carrying Amount		
Balance as at 1 April 2023		48,693
Additions		-
Balance as at 31 Mar 2024		48,693
II. Accumulated depreciation and impairment		
Balance as at 1 April 2023		41,052
Amortisation expense for the year		7,074
Balance as at 31 Mar 2024		48,126
III. Net carrying amount (I-II)		567

		INR
Description of Assets	Software	
I. Gross Carrying Amount		
Balance as at 1 April 2023		29,53,425
Additions		-
Effect of foreign currency translation		42,300
Balance as at 31 Mar 2024		29,95,725
II. Accumulated depreciation and impairment		
Balance as at 1 April 2023		24,89,968
Amortisation expense for the year		4,32,139
Effect of foreign currency translation		38,734
Balance as at 31 Mar 2024		29,60,841
III. Net carrying amount (I-II)		34,884

31 March 2023		CAD
Description of Assets	Software	
I. Gross Carrying Amount		
Balance as at 1 April 2022		48,693
Additions		-
Balance as at 31 Mar 2023		48,693
II. Accumulated depreciation and impairment		
Balance as at 1 April 2022		25,322
Amortisation expense for the year		15,730
Balance as at 31 Mar 2023		41,052
III. Net carrying amount (I-II)		7,641

		INR
Description of Assets	Software	
I. Gross Carrying Amount		
Balance as at 1 April 2022		29,45,785
Additions		-
Effect of foreign currency translation		7,640
Balance as at 31 Mar 2023		29,53,425
II. Accumulated depreciation and impairment		
Balance as at 1 April 2022		15,31,908
Amortisation expense for the year		9,52,853
Effect of foreign currency translation		5,207
Balance as at 31 Mar 2023		24,89,968
III. Net carrying amount (I-II)		4,63,457



Rubicon Research Canada Limited
Notes to the Balance Sheet as at 31 March 2024

	CAD 31-Mar-24	INR 31-Mar-24	CAD 31-Mar-23	INR 31-Mar-23
4 Other non-current assets				
Deposits	54,826	33,73,044	50,274	30,49,319
Prepaid Deposits	8,727	5,36,909		
	<u>63,553</u>	<u>39,09,953</u>	<u>50,274</u>	<u>30,49,319</u>
5 Inventories				
Inventories	7,33,230	4,51,10,289	3,94,840	2,39,48,625
	<u>7,33,230</u>	<u>4,51,10,289</u>	<u>3,94,840</u>	<u>2,39,48,625</u>
6 Trade Receivables				
Trade receivables	36,42,387	22,40,89,483	10,30,989	6,25,33,607
	<u>36,42,387</u>	<u>22,40,89,483</u>	<u>10,30,989</u>	<u>6,25,33,607</u>
7 Cash and bank balances				
Balances with banks-				
HSBC Bank	1,21,988	75,05,031	1,95,898	1,18,81,997
ICICI Bank	6,552	4,03,097	6,672	4,04,683
	<u>1,28,540</u>	<u>79,08,128</u>	<u>2,02,570</u>	<u>1,22,86,680</u>
8 Other bank balances				
Deposits with banks	10,000	6,15,227	10,000	6,06,540
	<u>10,000</u>	<u>6,15,227</u>	<u>10,000</u>	<u>6,06,540</u>
9 Other current financial assets				
Balances with government authorities (HST refund receivable)	28,728	17,67,424	23,845	14,46,295
	<u>28,728</u>	<u>17,67,424</u>	<u>23,845</u>	<u>14,46,295</u>
10 Other current assets				
Prepaid expenses	31,32,311	19,27,08,230	11,45,998	6,95,09,363
Prepaid deposits	4,760	2,92,848	2,695	1,63,462
	<u>31,37,071</u>	<u>19,30,01,078</u>	<u>11,48,693</u>	<u>6,96,72,825</u>
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	9,44,39,000	17,32,760	9,44,39,000
	<u>17,32,760</u>	<u>9,44,39,000</u>	<u>17,32,760</u>	<u>9,44,39,000</u>



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 2022			
No. of Shares	17,32,760	-	17,32,760
Amount	17,32,760	-	17,32,760
Year Ended 31 March 2023			
No. of Shares	17,32,760	-	17,32,760
Amount	17,32,760	-	17,32,760
Year Ended 31 March 2024			
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 2023	
Rubicon Research Private Limited	17,32,760
Year Ended 31 March 2024	
Rubicon Research Private Limited	17,32,760

	CAD 31-Mar-24	INR 31-Mar-24	CAD 31-Mar-23	INR 31-Mar-23
12 Reserves and surplus				
(i) Surplus (Profit and loss balance)				
At the commencement of the year	10,97,346	6,34,91,806	7,99,703	4,54,61,867
Add : Profit/ (Loss) for the year	2,44,358	1,49,27,428	2,97,643	1,80,29,939
	13,41,704	7,84,19,234	10,97,346	6,34,91,806
(ii) Foreign Currency translation reserve		1,62,91,071		1,37,26,441
	13,41,704	9,47,10,305	10,97,346	7,72,18,247
13 Long term borrowings				
Canada Emergency Business Account	-	-	-	-
14 Lease Liabilities				
Non-current	6,01,712	3,70,18,947	-	-
Current	2,83,383	1,74,34,487	2,05,297	1,24,52,084
	8,85,095	5,44,53,434	2,05,297	1,24,52,084
15 Other Financial Liabilities				
Related party-				
Payable to Holding Company towards ESOP	11,05,752	6,80,28,849	-	-
	11,05,752	6,80,28,849	-	-
16 Current Borrowings				
Current maturities of long-term borrowings	-	-	60,000	36,39,240
	-	-	60,000	36,39,240
17 Trade payables				
Trade payables	21,37,698	13,15,16,953	1,43,666	87,13,918
	21,37,698	13,15,16,953	1,43,666	87,13,918
18 Other Current liabilities				
Deferred Revenue	24,40,938	15,01,73,096	9,30,489	5,64,37,880
	24,40,938	15,01,73,096	9,30,489	5,64,37,880



Rubicon Research Canada Limited
Notes to Statement of Profit & Loss for the year ended 31 March 2024

	CAD 31-Mar-24	INR 31-Mar-24	CAD 31-Mar-23	INR 31-Mar-23
19 Revenue from operations				
Sale of Services				
Sale of Services	62,38,132	38,10,77,191	28,40,003	17,20,34,744
	<u>62,38,132</u>	<u>38,10,77,191</u>	<u>28,40,003</u>	<u>17,20,34,744</u>
20 Other Income				
Interest income	3,442	2,10,266	3,121	1,89,056
Subsidy	49,456	30,21,185	30,110	18,23,930
	<u>52,898</u>	<u>32,31,451</u>	<u>33,231</u>	<u>20,12,986</u>
21 Employee benefits expense				
Salaries, wages and bonus	16,79,899	10,26,22,258	11,68,557	7,07,85,983
Contribution to provident and other funds	1,71,530	1,04,78,485	1,08,480	65,71,236
Share based payments expense	11,05,752	6,75,48,565	-	-
	<u>29,57,181</u>	<u>18,06,49,308</u>	<u>12,77,037</u>	<u>7,73,57,219</u>
22 Finance costs				
Interest cost on Finance lease obligation	23,501	14,35,637	27,571	16,70,128
Other Borrowing Costs (includes bank charges)	13,313	8,13,269	10,011	6,06,422
	<u>36,814</u>	<u>22,48,906</u>	<u>37,582</u>	<u>22,76,550</u>
23 Depreciation & amortisation				
Depreciation & amortisation	3,35,628	2,05,02,961	3,36,396	2,03,77,371
	<u>3,35,628</u>	<u>2,05,02,961</u>	<u>3,36,396</u>	<u>2,03,77,371</u>
24 Other expenses				
Product development costs	20,31,593	12,41,06,664	3,06,941	1,85,93,120
Laboratory expenses	2,96,650	1,81,21,859	3,07,785	1,86,44,246
Electricity Expenses	45,775	27,96,319	53,453	32,37,945
Rent	15,976	9,75,947	11,208	6,78,931
Repairs and maintenance	1,38,099	84,36,240	49,833	30,18,661
Insurance	-	-	18,833	11,40,819
Rates and taxes	3,146	1,92,184	3,194	1,93,478
Travelling expenses	9,339	5,70,504	23,128	14,00,991
Training expenses	1,419	86,684	1,070	64,816
Legal and professional charges	10,495	6,41,122	41,147	24,92,502
Audit Fees	(1,836)	(1,12,158)	620	37,508
Telephone and communication expenses	15,308	9,35,140	12,207	7,39,446
Office utilities and services	77,463	47,32,087	37,847	22,92,603
Membership & subscription	5,635	3,44,233	3,162	1,91,540
Foreign exchange gain (net)	40,913	24,99,308	11,533	6,98,618
Miscellaneous expenses	9,754	5,95,856	1,040	62,999
	<u>26,99,729</u>	<u>16,49,21,989</u>	<u>8,83,001</u>	<u>5,34,88,223</u>



25 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	INR	
	For the Year ended 31 March 2024	For the Year ended 31 March 2023
A. Major Product/Service line:		
- Income from research services	38,10,77,191	17,20,34,744
Total revenue from contracts with customers	38,10,77,191	17,20,34,744
B. Primary geographical market:		
- India	38,10,77,191	17,20,34,744
- USA	-	-
- Others	-	-
Total revenue from contracts with customers	38,10,77,191	17,20,34,744
C. Timing of the revenue recognition:		
- Goods/Services transferred at a point in time	-	-
- Services transferred over time	38,10,77,191	17,20,34,744
Total revenue from contracts with customers	38,10,77,191	17,20,34,744

26 Auditors' Remuneration

Particulars	INR	
	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Payment to Auditors* :		
a As Auditors	(1,12,158)	37,508
b For tax audit	-	-
c For other services including certification	-	-
Total	(1,12,158)	37,508

* Excluding Goods and Service Tax and Swachh Bharat Cess

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

Right to use assets

Particulars	INR			
	2023-24		2022-23	
	CAD	INR	CAD	INR
Carrying amount of: Right-of-Use: Buildings	8,91,777	5,48,64,506	1,69,899	1,03,05,054

Particulars	Right-of-Use:	
	CAD	INR
Cost		
Balance at April 1, 2022	8,32,499	5,03,63,775
Additions	-	-
Disposal / Derecognized during the year	-	-
Translation difference	-	1,30,619
Balance at March 31, 2023	8,32,499	5,04,94,394
Additions	9,29,725	5,67,95,344
Disposal / Derecognized during the year	(8,32,499)	(5,04,29,085)
Translation difference	-	3,38,516
Balance at March 31, 2024	9,29,725	5,71,99,169
Accumulated depreciation		
Balance at April 1, 2022	4,58,723	2,77,51,411
Depreciation expense	2,03,877	1,23,49,961
Disposal / Derecognized during the year	-	-
Translation difference	-	87,968
Balance at March 31, 2023	6,62,600	4,01,89,340
Depreciation expense	2,12,646	1,29,90,193
Disposal / Derecognized during the year	(8,37,298)	(5,11,49,153)
Translation difference	-	3,04,283
Balance at March 31, 2024	37,948	23,34,663
Balance at March 31, 2024	8,91,777	5,48,64,506
Balance at April 1, 2023	1,69,899	1,03,05,054



Lease Liabilities

Particulars	Right-of-Use:			
	CAD	INR		
Balance at April 1, 2022	4,23,517	2,56,21,551		
Addition				
Accreditation of interest	27,571	16,70,128		
Payments	(2,45,791)	(1,48,39,595)		
Balance at April 1, 2023	2,05,297	1,24,52,084		
Addition	9,29,725	5,71,99,169		
Accreditation of interest	23,501	14,35,637		
Payments	(2,73,427)	(1,66,33,456)		
Balance at March 31, 2024	8,85,095	5,44,53,434		
Current	2,83,383	1,74,34,487		
Non-current	6,01,712	3,70,18,947		
Amounts recognised in profit and loss				
Particulars	31.3.2024	31.3.2024	31.3.2023	31.3.2023
	CAD	INR	CAD	INR
Depreciation expense of right-of-use assets	2,12,646	1,29,90,193	2,03,877	1,23,49,961
Interest expense on lease liabilities	23,501	14,35,637	27,571	16,70,128
Total	2,36,147	1,44,25,830	2,31,448	1,40,20,089

28 Basic and Diluted Earnings per Share Is calculated as under:

Particulars	For the Year ended	For the Year ended
	31 March 2024	31 March 2023
Profit attributable to Equity Shareholders (₹ lakhs)	1,49,27,428	1,80,29,939
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 outstanding as at the year end		
- Diluted	17,32,760	17,32,760
Earnings per Share (in ₹)		
- Basic	8.61	10.41
- Diluted	8.61	10.41

29 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	As at
	31 March 2024	31 March 2023
Total borrowings	-	36,39,240
Less : Cash and cash equivalent	79,08,128	1,22,86,680
Less : Other Bank Balances	6,15,227	6,06,540
Less : Current Investments	-	-
Adjusted net debt	(85,23,355)	(92,53,980)
Total equity	18,91,49,305	28,30,106
Adjusted net debt to total equity ratio	(0.05)	(3.27)



30 Trade Payable

Particulars	Note due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i MSME	-	-	-	-	-	-
ii Others	-	13,15,16,953	-	-	-	13,15,16,953
iii Disputed dues - MSME	-	-	-	-	-	-
iv Disputed dues - Others	-	-	-	-	-	-
	-	13,15,16,953	-	-	-	13,15,16,953

31 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	-	22,40,89,483	-	-	-	-	22,40,89,483
ii Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
iii Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
iv Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
	-	22,40,89,483	-	-	-	-	22,40,89,483

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

A Relationships

Category I: Holding Company:
Rubicon Research Private Limited

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

B Transactions with the related parties

Transactions	INR	
	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Holding Company		
Rubicon Research Private Limited		
Service fees Income	38,10,77,191	17,20,34,744
ESOP Cost	6,75,48,565	-
Reimbursement of expenses	94,250	-

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 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2023- ₹ 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 2024	31 March 2023
Holding Company		
Rubicon Research Private Limited		
Equity Share Capital	9,44,39,000	9,44,39,000
Trade Receivables	22,40,89,483	6,25,33,607
ESOP Cost Payable	6,80,28,849	-

33 No borrowing cost has been capitalised during the year (year ended 31 March 2023 ₹ nil).

34 Ratios

	31 March 2024	31 March 2023	% variation	Reason for variation
Current ratio	1.56	2.10	-25%	Refer Note 1
Debt-Equity ratio	-	0.02	-100%	Refer Note 2
Debt service coverage ratio	-	0.17	-100%	Refer Note 3
Return on equity ratio	0.08	0.11	-25%	Refer Note 4
Trade receivable turnover ratio	2.66	3.98	-33%	Refer Note 5
Trade payable turnover ratio	2.35	5.19	-55%	Refer Note 6
Net capital turnover ratio	2.24	1.93	16%	
Net profit ratio	4%	10%	-63%	Refer Note 7



Reason for variation

- 1 Reduction is primarily due to increase in the current liabilities
- 2 The reduction is primarily due to repayment of loan
- 3 Reduction is primarily due to repayment of loan made during the year.
- 4 Reduction is primarily due to lower profits for the year.
- 5 Reduction is due to higher credit sales for the current year
- 6 Improvement is primarily due to decrease in Trade Payable balances
- 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.

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

35 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.

36 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.

37 These standalone financial statements were authorized for issues by the Company's Board of Directors on 27th June 2024.

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



Ketaki Karve

Ketaki Karve
Partner

Mem. No.- 120651

UDIN: 24120651BKB5TX9189

Thane
Date: 27th June, 2024

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

Parag Sancheti

Parag Sancheti
Director
DIN: 07686819

Thane
Date: 27th June, 2024

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) The Financial Statements have been prepared on the historical cost basis except for certain financial assets and liabilities (including derivative instruments) which have been measured at fair value amount.

These special purpose financial statements for the year ended March 31, 2024 have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standards (Ind AS) as notified under the Companies Act, 2013 (the Act) and other accounting principles generally accepted in India. These special purpose financial statements have been prepared for the limited purpose of submission to Rubicon Research Private Limited (Intermediate holding company) for the purpose of preparation of its consolidated financial statements.

As a result, these special purpose financial statements may not be suitable for any purpose other than as stated in this note.

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

1. 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*

Classification

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 plus 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.

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.

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

Income from research services:

Income from research services including sale of technology/know-how (rights, licenses and other intangibles) is recognized in accordance with the terms of the contract with customers when the related performance obligation is completed, or when risks and rewards of ownership are transferred, as applicable.

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 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.

