

G. M. KAPADIA & CO.

(REGISTERED)

CHARTERED ACCOUNTANTS

1206, SUPER NOVA-ASTRALIS, SECTOR 94, NOIDA 201 301, INDIA

PHONE : (91-120) 4142955

INDEPENDENT AUDITOR'S REPORT

To the Members of Applied Research International Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Applied Research International Private Limited** ("hereinafter as referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its Joint Venture, which comprise the Consolidated Balance Sheet as at March 31, 2025 and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) and Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the other financial information of its subsidiaries and joint venture, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified under section 133 of the act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and of its joint venture as at March 31, 2025 and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its Joint Venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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



Key Audit Matters

Key audit matters are those matters that, in our professional judgement and based on the consideration of the audit reports of the other auditors on standalone financial statements/ consolidated financial statements and on the other financial information of the subsidiaries, joint ventures and associates, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no other key audit matters to communicate in our report.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report but does not include the consolidated financial statements and our auditor's report thereon. The above referred information is expected to be made available to us after the date of this audit report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other Information included in the company's annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action necessitated by the circumstances and the applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income) and consolidated changes in equity and consolidated cash flows of the Group including its joint venture in accordance with Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.



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

The respective Board of Directors of the companies included in the Group and of its Joint Venture are responsible for overseeing the financial reporting process of the Group and of its Joint Venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its Joint Venture 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its Joint Venture to cease to continue as a going concern.



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

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

We communicate with those charged with governance of the Holding Company 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.

Other Matters

We did not audit the financial statements of, Three subsidiaries incorporated outside India, which reflect total assets of Rs.635.33 Lakhs as at March 31, 2025, total revenue of Rs.1772.41 Lakhs, total net profit/(loss) after tax of Rs.130.96 Lakhs, total comprehensive income/ (loss) of Rs. 110.11 Lakhs and net cash flows of Rs. 308.11 Lakhs and One joint venture incorporated outside India, which reflect total net profit/(loss) after tax of Rs. (7.85) Lakhs and total comprehensive income/ (loss) of Rs. (7.85) Lakhs, for the year ended on that date, as considered in the consolidated financial statements.

The financial statements of above Three subsidiaries incorporated outside India and One joint venture incorporated outside India are unaudited and have been certified and furnished to us by the Management of Holding Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture is solely based on such unaudited financial statements.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements is given below, is not modified in respect of the above matters with respect to our reliance on such financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. The Holding Company does not have subsidiary, associate or joint venture incorporated in India. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act with respect to the matters specified in paragraphs 3(xxi) and 4, according to the information and explanations given to us, and based on the CARO report issued by us for the Holding Company, we report that there are no qualifications or adverse remarks in the CARO report.



2. The Holding Company does not have subsidiary, associate or joint venture incorporated in India. As required by Section 143 (3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) and the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act read with relevant rules issued thereunder and relevant provisions of the Act;
 - e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2025 and taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2025 from being appointed as a director in terms of section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate report in **Annexure "A"**;
 - g) Since the Holding Company is a private company, the provisions of section 197 of the Act are not applicable. Accordingly, no reporting is required with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act; and
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group has disclosed the impact of pending litigations on the consolidated financial position of the Group and of its Joint Venture in its consolidated financial statements – Refer Note 39 to the consolidated financial statements.
 - ii. The Group and its Joint Venture did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.



- iv. (i). The Management have represented that, to the best of its knowledge and belief, no fund have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (ii). The Management have represented that, to the best of its knowledge and belief, no fund have been received by the Holding Company from any persons or entities including foreign entities ("Funding parties") with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (iii). Based on the audit procedures performed by us that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) above, contain any material misstatement.
- v. The Holding Company has neither declared nor paid any dividend during the year.
- vi. Based on our examination which include test check, the Holding Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Furthermore, the audit trail has been preserved by the Holding Company as per the statutory requirements for record retention.

For G.M. Kapadia & Co.

Chartered Accountants

Firm's Registration Number: 104767W



Abhishek Singh

Partner

Membership Number: 407549

UDIN:25407549BMOVMY5619



Place: New Delhi
Date: 10th May 2025

Annexure A to the Independent Auditor's Report

Referred to in Paragraph 2(f) under the heading "Other Legal and Regulatory Requirements" of our report of even date on the consolidated financial statements for the year ended March 31, 2025;

We have audited the internal financial controls with reference to consolidated financial statements of Applied Research International Private Limited ("the Holding Company") as of March 31, 2025 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

Opinion

In our opinion, the Holding Company has, in all material respects, adequate internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control over financial reporting established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The Holding Company's management is responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria for internal financial control over financial reporting established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involved performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness



exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to consolidated financial statements includes those policies and procedures that;

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

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

For G.M. Kapadia & Co.

Chartered Accountants

Firm's Registration Number: 104767W



Place: New Delhi
Date: 10th May 2025

A handwritten signature in blue ink, appearing to read "Abhishek Singh".

Abhishek Singh
Partner

Membership Number: 407549
UDIN:25407549BMOVMY5619

Particulars	Note no	As at March 31, 2025	As at March 31, 2024	As at April 1, 2023
A. Assets				
(1) Non current assets				
(a) Property, plant and equipment	2	270.47	493.96	762.37
(b) Right of use assets	3	986.24	1,314.67	1,643.10
(c) Other intangible assets	4	149.87	199.90	250.18
(d) Investments accounted for using Equity Method	5	6.56	14.41	9.61
(e) Financial assets				
(i) Loans	6	8.97	10.09	-
(ii) Other financial assets	7	1,169.85	2,034.12	2,545.93
(f) Deferred tax assets (net)	8	352.64	280.39	159.98
(g) Other non current assets	9	174.23	138.15	138.56
Total non-current assets		3,118.84	4,485.69	5,509.73
(2) Current assets				
(a) Inventories	10	78.23	72.81	318.24
(b) Financial assets				
(i) Trade receivables	11	2,724.64	949.82	1,608.14
(ii) Cash and cash equivalents	12	2,623.18	2,618.30	892.48
(iii) Bank balances other than (ii) above	13	172.44	0.50	175.55
(iv) Loans	14	158.12	3.08	3.07
(v) Others financial assets	15	1,624.76	1,329.72	1,996.64
(c) Current Tax Assets (Net)	16	614.85	982.14	857.99
(d) Other current assets	17	203.45	440.13	589.63
Total current assets		8,199.67	6,396.50	6,441.73
Total assets (1+2)		11,318.51	10,882.19	11,951.46
B. Equity and liabilities				
(1) Equity				
(a) Equity share capital	18	132.87	153.00	153.00
(b) Other equity	19	6,516.49	6,928.43	6,381.51
Equity attributable to owners of the Holding Company		6,649.36	7,081.43	6,534.51
Non-controlling interests		-	-	-
Total equity		6,649.36	7,081.43	6,534.51
(2) Non current liabilities				
(a) Financial liabilities				
(i) Lease liabilities	20	837.08	1,102.51	1,323.95
(ii) Other Financial Liabilities		-	-	-
(b) Provisions	21	669.42	496.91	432.06
Total non-current liabilities		1,506.50	1,599.42	1,756.01
(3) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	22	-	-	-
(ii) Lease liabilities	23	265.42	287.24	317.25
(iii) Trade payables	24	-	-	-
total outstanding dues of micro enterprises and small enterprises		7.28	-	15.22
total outstanding dues of creditors other than micro enterprises and small enterprises		1,280.32	199.95	441.05
(iv) Other financial liabilities	25	634.08	408.88	283.59
(b) Other current liabilities	26	893.02	1,132.89	2,452.77
(c) Provisions	27	82.53	172.38	151.06
Total current liabilities		3,162.65	2,201.34	3,660.94
Total liabilities (2+3)		4,669.15	3,800.76	5,416.95
Total equity and liabilities (1+2+3)		11,318.51	10,882.19	11,951.46

Material accounting policies

See accompanying notes form an integral part of these consolidated financial statements

As per our report of even date attached.

For and on behalf of
G.M. Kapadia & Co.
Chartered Accountants
Firm Regn. No. 104767W

Abhishek Singh
Partner
Membership No.: 407549

Place: New Delhi
Date: 10th May 2025



Ashok Atluri
Ashok Atluri
Director
DIN No: 00056050

Place: New Delhi
Date: 10th May 2025

For and on behalf of the Board of Directors
Applied Research International Private Limited

Sanjay Kumar
Sanjay Kumar
Director
DIN No: 10977894



Applied Research International Private Limited
CIN: U73100DL1998PTC097280
Consolidated Statement of Profit and Loss
(Amounts are in INR Lacs unless otherwise stated)

Particulars	Note no	For the year ended March 31, 2025	For the year ended March 31, 2024
Income:			
Revenue from operations	28	13,739.27	9,171.96
Other income	29	375.40	417.37
Total income		14,114.68	9,589.34
Expenses:			
Cost of materials consumed	30	2,454.21	1,317.05
Operating Expenses	31	1,102.83	977.52
(Increase)/decrease in inventories of finished goods, work-inprogress and traded	32	6.70	246.76
Employee benefits expense	33	4,850.27	3,502.98
Depreciation and amortization expense	34	577.39	676.92
Finance costs	35	134.52	162.71
Other expense	36	2,265.72	1,890.63
Total expenses		11,391.64	8,774.59
Profit/(Loss) before share of profit of associate/ joint ventures and exceptional items		2,723.04	814.75
Share of Profit/(loss) of investments accounted for using equity method		(7.85)	5.26
Profit/(Loss) before exceptional items and tax expenses		2,715.19	820.01
Exceptional items (net of tax)		-	-
Profit/(Loss) before tax expenses		2,715.19	820.01
Tax expense:			
(1) Current tax expense		777.48	367.75
(2) Tax relating to earlier years		-	1.71
(3) Deferred tax (credit)/charge	8	(32.15)	(110.65)
Total tax expense		745.33	258.81
Profit/(Loss) for the year		1,969.86	561.20
Other comprehensive income/(loss)			
(i) Items that will not be reclassified to profit or loss			
(i) Re-measurement of defined benefit plans gain/(loss)		(130.29)	(19.55)
- Income tax relating to items that will not be reclassified subsequently to profit or loss		35.84	8.94
(ii) Items that will be reclassified to profit or loss			
(i) Exchange differences on translating the financial statements of a foreign operation		(25.13)	(4.49)
- Income tax relating to items that will be reclassified to profit or loss		4.27	0.82
(ii) Equity instruments through other comprehensive income		-	-
- Income tax relating to items that will be reclassified to profit or loss		-	-
Other comprehensive income for the year (net of tax)		(115.31)	(14.28)
Total comprehensive income for the period/year		1,854.55	546.92
Profit/(Loss) for the year attributable to:			
Attributable to Owners of Holding Company		1,969.86	561.21
Attributable to Non-controlling interests		-	-
Profit for the year		1,969.86	561.21
Other comprehensive income for the year attributable to:			
Attributable to Owners of the Holding company		(115.31)	(14.28)
Attributable to Non-controlling interests		-	-
Other comprehensive income for the year		(115.31)	(14.28)
Total comprehensive income for the year attributable to:			
Attributable to Owners of the Holding company		1854.55	546.92
Attributable to Non-controlling interests		-	-
Total comprehensive income for the year		1854.55	546.92
Earnings per equity share (face value of Rs. 2/- per share):			
Basic (Rs)	37	138.32	36.68
Diluted (Rs)	37	138.32	36.68

Material accounting policies

1

See accompanying notes form an integral part of these consolidated financial statements

As per our report of even date attached.

For and on behalf of
G.M. Kapadia & Co.
Chartered Accountants
Firm Regn. No. 104767W

Abhishek Singh
Partner
Membership No.: 407549

Place: New Delhi
Date: 10th May 2025

For and on behalf of the Board of Directors
Applied Research International Private Limited

Ashok Atturi
Director
DIN No: 00056050

Sanjay Kumar
Director
DIN No: 10977894

Place: New Delhi
Date: 10th May 2025



Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A: CASH FLOW FROM OPERATING ACTIVITIES:		
Profit/(Loss) before tax	2,715.19	820.01
Adjustments for:		
Depreciation and amortization expense	577.39	676.92
Share of profit & Loss from Joint Venture(Equity Method)	7.85	(5.26)
Finance cost	134.52	162.71
Provision for Warranty Expense	(73.90)	17.68
Provision for gratuity	83.80	74.48
Provision for compensated Absences	8.90	6.50
Provision for bonus/ Unpaid Bonus	1.05	2.03
Unwinding of discount on Security deposit	(0.34)	(0.31)
Liabilities no longer required written back	(2.29)	(49.72)
Balances written off	0.94	0.94
Interest income	(249.99)	(286.89)
Allowance for expected credit loss	30.70	80.46
Unrealised foreign exchange (gain)/ loss	(67.77)	(3.21)
Bad Debts Written Off	134.44	187.30
(Profit)/Loss on sale of property, plant and equipment	(1.97)	177.64
Operating profit before working capital changes	3,298.52	1,861.29
Adjusted for:		
(Increase)/decrease in inventories	(5.41)	245.42
(Increase)/decrease in trade receivables	(1,893.99)	389.62
(Increase)/decrease in other financial assets	512.42	1,248.66
(Increase)/decrease in other Current assets	236.68	149.50
(Increase)/decrease in current tax assets	403.38	(124.15)
(Increase)/decrease in other Non-current Assets	(108.34)	(120.00)
Increase/(decrease) in trade payables	1,087.65	(256.32)
Increase/(decrease) in other financial liabilities	225.31	125.52
Increase/(decrease) in Provisions	(29.35)	24.57
Increase/(decrease) in other Current liabilities	(239.88)	(1,319.87)
Cash flow (used in)/generated in operations	3,486.98	2,224.24
Less: Income tax (paid) (net of refund)	(745.33)	(258.81)
Net cash generated/ (used in) operating activities (A)	2,741.65	1,965.42
B: CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(68.18)	(227.09)
Proceeds from sale of property, plant and equipment	94.71	19.67
Loan granted	(153.92)	(10.11)
Net investment in fixed deposits	(171.94)	175.05
Interest received	271.05	217.27
Net cash (used in)/generated from investing activities (B)	(28.28)	174.79
C: CASH FLOW FROM FINANCING ACTIVITIES:		
Payment of lease liabilities	(287.24)	(251.46)
Buy-Back of Equity Shares	(2,286.63)	-
Finance cost paid	(134.63)	(162.94)
Net cash (used in)/generated from financing activity (C)	(2,708.49)	(414.39)
NET CHANGES IN CASH & CASH EQUIVALENT (A+B+C)	4.88	1,725.82
Cash and cash equivalents at the beginning of the year	2,618.30	892.48
Cash and cash equivalents at the end of the year	2,623.18	2,618.30
Cash and cash equivalent includes:		
(a) Balances with banks		
- In current accounts	2,623.18	1,318.30
(b) Cash on hand	-	-
(c) Bank deposits with original maturity of up to three months	-	1,300.00
	2,623.18	2,618.30

Note: 1 The above cash flow statement has been prepared under the indirect method as set out in IND AS - 7 'Statement of Cash Flows'.

Material accounting policies
See accompanying notes form an integral part of these consolidated financial statements

As per our report of even date attached.

For and on behalf of
G.M. Kapadia & Co.
Chartered Accountants
Firm Regn. No. 104767W
Abhishek Singh
Partner
Membership No.: 407549

Abhishek Singh

Place: New Delhi
Date: 10th May 2025



For and on behalf of the Board of Directors
Applied Research International Private Limited

Ashok Atluri

Ashok Atluri
Director
DIN No: 00056050

Place: New Delhi
Date: 10th May 2025



Sanjay Kumar

Sanjay Kumar
Director
DIN No: 10977894

A. Equity share capital	No of shares	Amount
As at April 1, 2023	15,30,000	153.00
Changes in equity shares capital during the year	-	-
As at March 31, 2024	15,30,000	153.00
Changes in equity shares capital during the year		
- Due to Buyback of equity shares	(2,01,340)	(20.13)
As at March 31, 2025	13,28,660	132.87

B. Other equity

Particulars	Reserves and Surplus			Other comprehensive income		Non -Controlling Interests	Total
	Retained earnings	Capital redemption reserve	General Reserve	Exchange differences on translating the financial statements of foreign operations	Remeasurement of defined benefit plans		

Balance as at April 1, 2023	6,049.47	-	443.69	-	(111.65)	-	6,381.51
-----------------------------	----------	---	--------	---	----------	---	----------

Addition during the year:

Add/(Less): Profit/(Loss) for the year	561.20	-	-	-	-	-	561.20
Add/(Less): Remeasurement Gain/(Loss) for the year	-	-	-	-	(10.61)	-	(10.61)
Add/(Less): Transfer from retained earnings	-	-	-	-	-	-	-
Add/(Less): Exchange Gain/(Loss) for the year	-	-	-	(3.67)	-	-	(3.67)

Balance as at March 31, 2024	6,610.67	-	443.69	(3.67)	(122.26)	-	6,928.43
------------------------------	----------	---	--------	--------	----------	---	----------

Addition during the year:

Add/(Less): Profit/(Loss) for the year	1,969.86	-	-	-	-	-	1,969.86
Add/(Less): Remeasurement Gain/(Loss) for the year	-	-	-	-	(94.45)	-	(94.45)
Less: Buyback of Equity Shares (Including Transaction Cost and Tax thereon)	(2,266.49)	-	-	-	-	-	(2,266.49)
Add/(Less): Transferred to Capital Redemption Reserve	(20.13)	20.13	-	-	-	-	-
Add/(Less): Exchange Gain/(Loss) for the year	-	-	-	(20.86)	-	-	(20.86)

Balance as at March 31, 2025	6,293.91	20.13	443.69	(24.53)	(216.70)	-	6,516.49
------------------------------	----------	-------	--------	---------	----------	---	----------

Material accounting policies
See accompanying notes form an integral part of these consolidated financial statements

As per our report of even date attached.

For and on behalf of
G.M. Kapadia & Co.
Chartered Accountants
Firm Regn. No. 104767W

Abhishek Singh
Partner
Membership No.: 407549

Place: New Delhi
Date: 10th May 2025

Ashok Atluri
Director
DIN No: 00056050

Place: New Delhi
Date: 10th May 2025

For and on behalf of the Board of Directors
Applied Research International Private Limited

Sanjay Kumar
Director
DIN No: 10977894



Applied Research International Private Limited
CIN: U73100DL1998PTC097280
Notes to the Consolidated Financial Statements
For the Year ended March 31, 2025
(All Amounts are in INR Lakhs, unless otherwise stated)

BACKGROUND AND CORPORATE INFORMATION

The Consolidated Financial Statements (CFS) comprise financial statements of Applied Research International Private Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its Subsidiaries together referred to as "the Group") and its joint venture for the year ended March 31, 2025.

The Holding Company is a Private Limited Company domiciled in India and incorporated under the provisions of the Companies Act applicable in India, having corporate office at 46/13, E-Block, Okhla Industrial Area, Phase-II, New Delhi, India. These CFS includes financial information of following Subsidiaries and a Joint Venture:

Particulars	Proportion of ownership of interest
Investment in equity instruments of subsidiaries:	
Applied Research International USA Inc., USA	100.00%
Applied Research International (UK) Ltd, UK	100.00%
ARI(Applied Research International) Pte. Ltd.	100.00%
Investment in equity instruments of Joint Venture:	
KIC SOLUTIONS CO., LTD, South Korea	50.00%

The Group is Principally engaged in the business of Advanced Simulation Technology, development and manufacture of Simulators and Simulation Software, Digital SaaS, Information Technology Solutions and incidental and allied support services. The Group's software activities include designing developing, manufacturing and marketing simulation and digital SaaS products across a wide range of industry verticals to customers across the world. The Group uses its own 3D virtual reality and simulation software platform to provide standard and customized solutions in the areas of Marine, Offshore, Energy, Construction, Airport and Defence. The Group is also providing specialized training and related services that are primarily conducted using high end simulators. The Group caters to both domestic and international markets and has wide global recognition of its brand name of "ARI Simulation", as a leading global operator. The Group's marine and offshore simulation product portfolio is duly certified by DNV, an International Certification Agency in the category of the highest Class as "A Level". The Group has developed and introduced a suite of Digital SaaS solutions for training, assessment, certification and compliance.

The consolidated financial statements for the year ended March 31, 2025, were approved by the Board of Directors and authorised for issue on May 10, 2025.

1. MATERIAL ACCOUNTING POLICIES

A. BASIS OF PREPARATION AND PRESENTATION

These consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of Companies Act, 2013, (the 'Act') read with Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, as applicable to the CFS and other relevant provisions of the Act.

For all periods up to and including the year ended 31st March, 2024, the Group prepared its Consolidated Financial Statements in accordance with Accounting Principles generally accepted in India including Accounting Standards notified under Section 133 of the Act read with paragraph 7 of the Companies (Accounts) Rules, 2014, as amended (Indian GAAP). The Group has adopted Ind AS and the adoption was carried out in accordance with Ind AS 101 (First time adoption of Indian Accounting Standards). The



transition was carried out from April 1, 2023 and the financial statements for the year ended March 31, 2025 are the first financial statements the Group has prepared in accordance with Ind AS. Reconciliations and descriptions of the effect of the transition has been summarised in Note no. 48.

These consolidated financial statements have been prepared on a going concern basis. The transition to Ind AS has resulted in changes in the presentation of the Financial Statements, disclosures in the notes thereto and accounting policies and principles.

B. Principle of Consolidation and procedure

The Group controls an investee if and only if the Group has:

- 1.1.1. Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- 1.1.2. Exposure, or rights, to variable returns from its involvement with the investee; and
- 1.1.3. The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

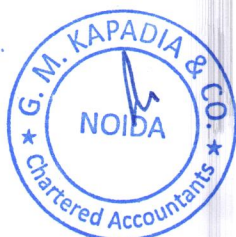
- a) The contractual arrangement with the other vote holders of the investee;
- b) Rights arising from other contractual arrangements;
- c) The Group's voting rights and potential voting rights;
- d) The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- b) Offset (eliminate) the carrying amount of the holding Company's investment in each subsidiary and the holding Company's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to



Applied Research International Private Limited
CIN: U73100DL1998PTC097280
Notes to the Consolidated Financial Statements
For the Year ended March 31, 2025
(All Amounts are in INR Lakhs, unless otherwise stated)

transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Holding Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- a) Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- b) Derecognises the carrying amount of any non-controlling interests;
- c) Derecognises the cumulative translation differences recorded in equity;
- d) Recognises the fair value of the consideration received;
- e) Recognises the fair value of any investment retained;
- f) Recognises any surplus or deficit in profit or loss;
- g) Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners;
- h) Reclassifies the holding Company's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities.

C. Functional and presentation currency

These Consolidated Financial Statements are presented in Indian Rupees (INR), which is also the Holding Company's functional currency. All financial information presented in Indian rupees have been rounded-off to two decimal places to the nearest Lakhs unless otherwise stated.

a. Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that



would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

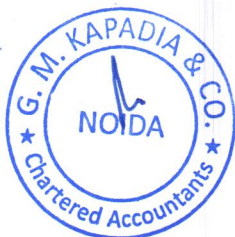
D. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- a. Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- b. Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- c. Liabilities or equity instruments related to share based payment arrangements of the acquiree or share-based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments



Applied Research International Private Limited
CIN: U73100DL1998PTC097280
Notes to the Consolidated Financial Statements
For the Year ended March 31, 2025
(All Amounts are in INR Lakhs, unless otherwise stated)

at the acquisition date.

- d. Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.
- e. Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss in accordance with Ind AS 109. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.



If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually. Thus, reversals of impairments may effectively include reversal of goodwill impairments. Impairments and reversals are presented within 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equal or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines



Applied Research International Private Limited
CIN: U73100DL1998PTC097280
Notes to the Consolidated Financial Statements
For the Year ended March 31, 2025
(All Amounts are in INR Lakhs, unless otherwise stated)

whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit and loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

E. Revenue from contracts with customers

Revenue from contracts with customers is recognized, when the Group satisfies a performance obligation by transferring a promised good or service to its customers at an amount that reflects the consideration to which the group expects to be entitled upon satisfying those performance obligations.

Revenue from sale of products

Revenue from sale of products is recognised at the point in time when control of the product is transferred to the customer, generally on delivery of the product. The group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of product, the group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration and consideration payable to the customer (if any).

If the consideration in a contract includes a variable amount, the group estimates the amount of consideration to which it will be entitled in exchange for transferring the products to customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associate's uncertainty with the variable consideration is subsequently resolved.

Revenue from rendering of services

Group provides Annual Maintenance Contract (AMC) services that are either sold separately or bundled together with the sale of product to a customer. The AMC services do not significantly customise or modify the product.

Contracts for bundled sale of products and AMC services are comprised of two performance obligations because the equipment and AMC services are both sold on a standalone basis and are distinct within the context of the contract. Accordingly, the group allocates the transaction price based on the relative standalone selling prices of the products and AMC services.

The group recognises the revenue from rendering AMC services over time because the customer simultaneously receives and consumes the benefits provided to them. The group uses an output method in measuring progress of the AMC services because there is a direct relationship between the transfer of service to the customer and the time elapsed in the contract term.

Fees from short duration training courses is recognised upon completion of the respective course tenure.

Recognition of Other income

i) Interest income

Interest Income mainly comprises of interest on Margin money deposit relating to bank guarantee, Deposits



against Bank Overdraft with banks and other fixed deposits. Interest income should be recorded using the effective interest rate (EIR). However, the amount of margin money deposits relating to bank guarantee and Over draft are purely current in nature, hence effective interest rate has not been applied. Interest is recognized using the time- proportion method, based on rates implicit in the transactions.

ii) Export incentives

The group receives export incentives which do not fall under the scope of Ind AS 115 and are accounted for in accordance with the provisions of Ind AS 20 considering such incentives as Government Assistance. Accordingly, government grant relating to Income is recognised on accrual basis when the relevant expense has been charged to statement of Profit and Loss.

Contract Balances:

In a contract, if the entity performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, it shall be presented as a contract asset, excluding any amounts presented as receivable. A contract asset is an entity's right to consideration in exchange for goods and services that the entity has transferred to the customer.

Contract asset:

The contract assets primarily relate to the Company's rights to consideration for performance obligation satisfied but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional.

Contract Liability:

If a customer pays consideration, or an entity has a right to an amount of consideration that is unconditional (i.e., a receivable), before the entity transfers a good or service to the customer, it shall be presented as a contract liability when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the group performs the contract (i.e., transfers control of the related goods or services to the customer).

Trade Receivables:

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note I below.

F. Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition, construction or production of an asset which necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

G. Foreign currency transactions and translation

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- a. Exchange differences arising on monetary items that forms part of a reporting entity's net investment



Applied Research International Private Limited
CIN: U73100DL1998PTC097280
Notes to the Consolidated Financial Statements
For the Year ended March 31, 2025
(All Amounts are in INR Lakhs, unless otherwise stated)

in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

- b. Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- c. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Group Companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit and loss.

Any goodwill arising in the acquisition/business combination of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/acquisitions, which occurred before the date of transition to Ind AS (April 1, 2015), are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the transition date.

H. Current and non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current. The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.



Assets

An asset is classified as a current when:

- it is expected to be realised in, or is intended for sale or consumption in normal operating cycle;
- it is expected to be realised within twelve months from the reporting date;
- it is held primarily for the purposes of being traded; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

Liabilities

A liability is classified as a current when:

- it expects to settle the liability in its normal operating cycle;
- it is due to be settled within twelve months from the reporting date;
- it is held primarily for the purposes of being traded;
- there is no unconditional right to defer settlement of liability for atleast twelve months from the reporting date.

All other liabilities are classified as non-current.

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

Operating Cycle

Operating cycle is the time between the acquisition of assets for processing and realisation in cash or cash equivalents. The group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

I. Financial instruments

A financial instrument is any contract that gives rise to a Financial Asset of one entity and Financial Liability or equity instrument of another entity.

Financial assets

i) Initial Recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the group has applied the practical expedient, the group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the group has applied the practical expedient are measured at the



Applied Research International Private Limited
CIN: U73100DL1998PTC097280
Notes to the Consolidated Financial Statements
For the Year ended March 31, 2025
(All Amounts are in INR Lakhs, unless otherwise stated)

transaction price determined under Ind AS 115. Refer to the accounting policies in Section (E) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

ii) Classification and subsequent measurement

All financial assets except Trade receivables are initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Subsequent measurement: For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments);
- Financial assets at fair value through profit or loss.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the group changes its business model for managing financial assets.

Financial assets at amortised cost (debt instruments)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category is the most relevant to the group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The group's financial assets at amortised cost includes trade receivables, deposits and other non-current and current financial assets.

Financial assets at fair value through OCI (FVTOCI) (debt instruments)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:



- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).
- Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

There are no group's debt instruments which are stated at fair value through OCI.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The group has elected not to classify its investments in equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and listed equity investments which the group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

Since the group does not hold any derivative and listed equity investments, there are no financial assets classified at fair value through profit or loss.

Derecognition

A Financial asset is primarily derecognised when the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial Liabilities

i) Initial Recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.



Applied Research International Private Limited
CIN: U73100DL1998PTC097280
Notes to the Consolidated Financial Statements
For the Year ended March 31, 2025
(All Amounts are in INR Lakhs, unless otherwise stated)

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

ii) Subsequent measurement:

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss;
- Financial liabilities at amortised cost (loans and borrowings).

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. 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 profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to P&L. However, the group 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. The group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (Loans and borrowings)

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

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

iii) 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.

iv) Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if there is a currently and legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v) Reclassification of financial Instruments



The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the Group reclassifies financial assets, it applies the reclassification prospectively.

J. Property, plant and equipment

i) Recognition and measurement

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment loss, if any. On transition to Ind AS, the Group has elected to measure all of its property, plant and equipment at the previous GAAP carrying value (deemed cost). 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 directly attributable cost of bringing the item to its working condition for its intended use and estimated costs (Present Value) of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred. If an item of property, plant and equipment is purchased with deferred credit period from supplier, such asset is recorded at its cash price equivalent value.

ii) Depreciation

Depreciation is recognized in the statement of profit and loss on written down value basis over the estimated useful lives of property, plant and equipment based on to the Companies Act, 2013 ("Schedule II"), which prescribes the useful lives for various classes of tangible assets. However, exception to this in case of its wholly owned subsidiary ARI US depreciation is provided on the assets on SLM basis. For assets acquired or disposed off during the year, depreciation is provided on pro rata basis. Depreciable amount for assets is the cost of an asset less its estimated residual value except in case of its wholly owned subsidiary where residual value considered as NIL.

Leasehold Improvements are depreciated over its lease terms.

In the case Holding Company the assets individually costing less than 5,000/- is considered for full depreciation of its cost less its estimated residual value in the year of addition..

The group assesses at each balance sheet date, whether there is objective evidence that an asset or a group of assets is impaired. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount and depreciation is provided on the revised carrying amount over its remaining useful life. Recoverable amount is higher of the value in use or fair value less cost to sell.

K. Intangible assets

i) Recognition and measurement

Intangible assets that are acquired, are recognized at cost initially and carried at cost less accumulated amortization and accumulated impairment loss, if any. On transition to Ind AS, the Group has elected to measure all of its intangible assets at the previous GAAP carrying value (deemed cost). Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognised.



Applied Research International Private Limited
CIN: U73100DL1998PTC097280
Notes to the Consolidated Financial Statements
For the Year ended March 31, 2025
(All Amounts are in INR Lakhs, unless otherwise stated)

ii) Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the "Straight line method" (SLM) method, and is included in depreciation and amortisation in statement of profit and loss. The Group uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the Group amortizes the intangible asset over the best estimate of its useful life. Intangible assets consisting of computer programmes are amortized on straight line basis over monthly equated instalments over a period of five years. However, Softwares with limited license period exceeding one year but shorter than five-year period is amortized over the license period.

Amortisation method and useful lives are reviewed at the end of each financial year and adjusted if appropriate.

I. Capital work-in-progress

Capital work-in-progress is recognized at cost, net of accumulated impairment loss, if any. It comprises of property, plant and equipment that are not yet ready for their intended use at the reporting date.

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use by the management.

J. Inventories

Inventories consist of raw materials, stores and spares, work-in-progress and finished goods and are measured at the lower of cost or net realizable value. However raw materials which are used in the process of production are not written down below the cost if the finished goods produced from consumption of such material are sold at or above the cost.

The cost of all categories of inventories is based on the First In First Out (FIFO) Basis. Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

K. Impairment of assets

i) Impairment of financial instruments

The group recognises loss allowances for expected credit losses on financial assets measured at amortised cost and trade receivables. At each reporting date, the group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The group measures loss allowances at an amount equal to lifetime expected credit losses.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.



The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12 months expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the group is exposed to credit risk.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the group in accordance with the contract and the cash flows that the group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the group's procedures for recovery of amounts due.

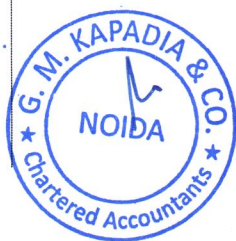
ii) Impairment of non-financial assets

The group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the group operates, or for the market in which the asset is used.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU



Applied Research International Private Limited
CIN: U73100DL1998PTC097280
Notes to the Consolidated Financial Statements
For the Year ended March 31, 2025
(All Amounts are in INR Lakhs, unless otherwise stated)

(or the asset).

The group's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

In respect of assets for which impairment loss has been recognised in prior periods, the group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

L. Employee benefits

(i) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services upto the end of the reporting period and are measured on an undiscounted basis at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The group makes specified monthly contributions towards Government administered provident fund scheme and other funds. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit and loss in the periods during which the related services are rendered by employees.

Provident Fund

Eligible employees receive benefits from a Provident Fund, which is a defined benefit plan. Both the employee and the Holding Company makes monthly contributions to the Provident Fund Plan with Employees Provident Fund of Central Government equal to specified percentage of the covered employee's salary.

(iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by a qualified actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in



retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Gratuity

The Holding Company provides for gratuity, a defined retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity provides a lumpsum payment, to vested employees at the time of their leaving, retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Holding Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation done by an outsourced actuary at each balance sheet date and recognised on net basis in the Balance sheet in accordance with the Indian Accounting Standard 19 "Employee Benefits".

(iv) Termination benefits

Termination benefits are recognized as an expense when the group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(v) Other long-term employee benefits

The group's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.

Compensated Absences

Accumulated leaves, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Holding Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. The Holding Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the other comprehensive income.

M. Leases

The group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a Lessor

Leases for which the group is a lessor are classified as a finance or operating lease. Whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Rental income from operating leases are recognised on straight line basis over the term of relevant lease.

Group as a Lessee

On transition to Ind AS, the Group has availed the exemption provided in Appendix D of Ind AS 101 w.r.t. recognition of lease liabilities and right-of-use assets for its lease arrangements. The Group has applied Appendix B of Ind AS 116 determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.



Applied Research International Private Limited
CIN: U73100DL1998PTC097280
Notes to the Consolidated Financial Statements
For the Year ended March 31, 2025
(All Amounts are in INR Lakhs, unless otherwise stated)

The group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

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

Right of use asset

The group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

Lease Liability

The group measures the lease liability at present value of the future lease payments at the commencement date of the lease. In calculating the present value of lease payments, the group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the group recognises any remaining amount of the re-measurement in statement of profit and loss.

Short-term leases and leases of low-value assets

The group applies the short-term lease recognition exemption to its short-term leases of buildings, machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

N. Income taxes

Taxes comprises Current Tax, Deferred tax and MAT credit. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.



(i) 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. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and considers whether it is probable that a taxation authority will accept an uncertain tax treatment.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) 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 corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction; and
- temporary differences related to investments in subsidiaries to the extent that the group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences, the carry forwards of unused tax credits and unused tax losses. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to



Applied Research International Private Limited
CIN: U73100DL1998PTC097280
Notes to the Consolidated Financial Statements
For the Year ended March 31, 2025
(All Amounts are in INR Lakhs, unless otherwise stated)

realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(iii) Minimum Alternate Tax (MAT) Credit

Minimum alternate tax (MAT) credit is recognised in accordance with tax laws in India as an asset only when and to the extent there is convincing evidence that the group will pay normal income tax during the specified period. The group reviews the MAT credit at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the group will pay normal income tax during the specified period.

0. Provision, contingent liabilities and contingent assets

Provision

A provision is recognised if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised under finance costs. Expected future operating losses are not provided for. Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Warranties

In case of Holding Company, provision of warranty is made against the revenue recognised for the purpose of providing the free of cost after sale services over the agreed contracted period which ranges from minimum one year from the date of sale to 5 years. Such provision is determined as per actuarial valuation report of an independent actuary.

Contingent liabilities

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets

Contingent assets are not recognised in financial statement. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

Contingent Liabilities/Assets to the extent the Management is aware, are disclosed by way of notes to the financial statements.

P. Government grants

Grants & Subsidies received from the Governments are recognised only when there is reasonable assurance that:

- a. The group will comply with the conditions attached to the grant;
- b. There is a reasonable certainty that the grant will be received.

Government grants related to assets are treated as deferred income and are recognized in net profit in the statement of Profit & Loss on a systematic and rational basis over the useful life of the asset. Government grants related to revenue are recognized on a systematic basis in net profit in the Statement of Profit & Loss over the periods necessary to match them with the related costs which they are intended to compensate.



When loans or similar assistance are provided by Governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a Government grant. The loan or assistance is initially recognized and measured at fair value and the Government grant is measured as the difference between the fair value of the loan and the proceeds received. It is recognized as deferred income and released to statement of Profit & Loss in proportionate over the loan tenure and presented within other income. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Q. Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period excluding the treasury shares in accordance with Ind AS 33 Earnings per share.

Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

R. Statement of cash flow

Cash flows are reported using the indirect method, whereby net profit/(loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the group are segregated. The Group considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

S. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts and Cash Credit that are repayable on demand and form an integral part of our cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Whereas they are classified as borrowings under current liabilities in the balance sheet.

T. Research and Development Costs (Product Development)

Research expenditure is recognized as an expense when it is incurred. Development expenditure on an individual project are recognised as an intangible asset when the group can demonstrate:

- a) The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- b) Its intention to complete and its ability and intention to use or sell the product;
- c) How the asset will generate future economic benefits;
- d) The availability of resources to complete the asset;
- e) The ability to measure reliably the expenditure during development.

Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.



Applied Research International Private Limited
CIN: U73100DL1998PTC097280
Notes to the Consolidated Financial Statements
For the Year ended March 31, 2025
(All Amounts are in INR Lakhs, unless otherwise stated)

Items of property, plant and equipment and acquired Intangible Assets utilized for Research and Development are capitalized and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

U. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

V. Errors and estimates

The Group revises its accounting policies if the change is required due to a change in Ind AS or if the change will provide more relevant and reliable information to the users of the financial statements. Changes in accounting policies are applied retrospectively, unless it is impracticable to apply.

A change in an accounting estimate that results in changes in the carrying amounts of recognised assets or liabilities or to statement of profit and loss is applied prospectively in the period(s) of change.

W. Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

i) Useful lives of property, plant and equipment

The Management of the Group reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. This reassessment may result in change in depreciation and amortisation expected in future periods. It is possible that the estimates made based on existing experience are different from the actual outcomes and could cause a material adjustment to the carrying amount of property, plant and equipment.

ii) Provisions and Contingencies:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change.

In the normal course of business, contingent liabilities arise from litigations and claims. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in the Restated Consolidated Financial Information. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such contingent liabilities are disclosed in the notes but are not recognized. Contingencies the likelihood of which is remote are not disclosed in the Restated Consolidated Financial Information. Contingent gains are not recognized until the contingency has been resolved and amounts are received or receivable.

iii) Income Taxes:

Significant judgements are involved in determining the provision for income taxes, including amount expected



to be paid/recovered for uncertain tax positions. In assessing the realizability of deferred tax assets arising from unused tax credits, the management considers convincing evidence about availability of sufficient taxable income against which such unused tax credits can be utilized. The amount of the deferred income tax assets considered realizable, however, could change if estimates of future taxable income changes in the future.

iv) Defined benefit plans:

The present value of defined benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary escalations and mortality rates etc. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The Group determines the appropriate discount rate at the end of each period. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Group considers the interest rates of government bonds of maturity approximating the terms of the related plan liability.

v) Inventories:

The Management of the Group estimates the net realisable value (NRV) of its inventories by taking into account their estimated selling price, estimated cost of completion, estimated costs necessary to make the sale. Management periodically reviews the inventory listing to determine if any allowance should be accounted for in the Restated Consolidated Financial Information for obsolete or slow-moving items, and to compare the carrying value of inventory items with their respective net realizable value.

vi) Impairment of financial assets:

Expected credit loss: The measurement of expected credit loss on financial assets is based on the evaluation of collectability and the management's judgement considering external and internal sources of information. A considerable amount of judgement is required in assessing the ultimate realization of the loans having regard to, the past collection history of each party and ongoing dealings with these parties, and assessment of their ability to pay the debt on designated dates.

vii) Impairment of non-financial assets:

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

viii) Impairment test of investments in Subsidiaries and Joint Venture Companies

The recoverable amount of investment in subsidiaries and joint venture companies is based on estimates and assumptions regarding in particular the future cash flows associated with the operations of the investee Group. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.



Applied Research International Private Limited
CIN: U73100DL1998PTC097280
Notes to the Consolidated Financial Statements
For the Year ended March 31, 2025
(All Amounts are in INR Lakhs, unless otherwise stated)

X. Recent pronouncements

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has not notified new standards or amendments to the existing standards, which may be applicable to the Company.



Note 2:- Property, plant and equipment

Particulars	Other than R&D Division				R & D Division		Total
	Office equipment	Motor vehicles	Computer	Leasehold Improvement	Furniture	Computers	Equipment
Gross carrying amount:							
Balance as at April 1, 2023	369.91	167.50	11.35	-	126.58	1,006.04	342.26
Add: Additions during the period	71.23	-	12.19	-	3.88	134.70	5.10
Less: Disposals during the period	18.47	29.53	7.68	-	-	910.43	207.87
Balance as at March 31, 2024	422.67	137.97	15.86	-	130.45	230.31	1,076.76
Add: Additions during the period	4.89	-	8.14	29.80	15.19	-	10.16
Less: Disposals during the period	19.00	95.97	4.73	-	-	105.35	92.46
Balance as at March 31, 2025	408.57	42.00	19.27	29.80	145.64	124.96	827.44
Accumulated depreciation							
Balance as at April 1, 2023	118.78	152.96	7.97	-	75.14	700.32	206.11
Add: Depreciation for the period	81.66	2.82	6.33	-	13.22	143.90	50.27
Less: Disposals during the period	16.57	28.06	7.30	-	-	762.96	161.78
Balance as at March 31, 2024	183.86	127.72	7.01	-	88.35	81.26	582.80
Add: Depreciation for the period	71.46	1.36	7.73	12.57	15.22	71.64	18.95
Less: Disposals during the period	10.59	89.72	3.30	-	-	48.05	73.11
Balance as at March 31, 2025	244.74	39.36	11.44	12.57	103.58	104.85	556.97
Carrying amounts (net)							
Balance as at April 1, 2023	251.13	14.55	3.38	-	51.44	305.72	136.15
Balance as at March 31, 2024	238.81	10.25	8.86	-	42.10	149.06	44.89
Balance as at March 31, 2025	163.82	2.65	7.83	17.22	42.06	20.12	16.76

Note: Ind-AS 101 Exemption: The Group has elected to continue with the carrying value for all its Property and Plant and Equipments as recognised in its financial statements as at transition date to Ind AS i.e. April 1, 2023 measured as per the previous GAAP and use that as deemed cost as at the transition date to Ind AS.

Applied Research International Private Limited
CIN: U73100DL1998PTC097280
Notes to the Consolidated Financial Statements
(Amounts are in INR Lacs unless otherwise stated)

Note 3 : Right of use assets*

Gross carrying amount:

Particulars	Building	Total
Balance as at April 1, 2023	1,643.10	1,643.10
Additions during the year	-	-
Deletions during the year	-	-
Balance as at March 31, 2024	1,643.10	1,643.10
Additions during the year	-	-
Deletions during the year	-	-
Balance as at March 31, 2025	1,643.10	1,643.10
Accumulated amortisation		
Balance as at April 1, 2023	-	-
Additions during the year	328.43	328.43
Disposals during the year	-	-
Balance as at March 31, 2024	328.43	328.43
Additions during the year	328.43	328.43
Disposals during the year	-	-
Balance as at March 31, 2025	656.86	656.86
Carrying amounts (net):		
Balance as at April 1, 2023	1,643.10	1,643.10
Balance as at March 31, 2024	1,314.67	1,314.67
Balance as at March 31, 2025	986.24	986.24

*Refer Note 47

(This space is intentionally left blank)



Applied Research International Private Limited
CIN: U73100DL1998PTC097280
Notes to the Consolidated Financial Statements
(Amounts are in INR Lacs unless otherwise stated)

Note 4 : Intangible assets

Particulars	Computer Programmes/Softwares	Total (A)
Gross carrying amount:		
Balance as at April 1, 2023	397.90	397.90
Add: Additions during the period	-	-
Less: Disposals during the period	-	-
Balance as at March 31, 2024	397.90	397.90
Add: Additions during the period	-	-
Less: Disposals during the period	1.41	1.41
Balance as at March 31, 2025	396.49	396.49
Accumulated Amortization		
Balance as at April 1, 2023	147.71	147.71
Add: Additions during the period	50.28	50.28
Less: Disposals during the period	-	-
Balance as at March 31, 2024	198.00	198.00
Add: Additions during the period	50.03	50.03
Less: Disposals during the period	1.41	1.41
Balance as at March 31, 2025	246.62	246.62
Carrying amounts (net)		
Balance as at April 1, 2023	250.18	250.18
Balance as at March 31, 2024	199.90	199.90
Balance as at March 31, 2025	149.87	149.87

Note:Ind-AS 101 Exemption: The Group has elected to continue with the carrying value for all its Intangible Assets as recognised in its financial statements as at transition date to Ind AS i.e. April 1, 2023 measured as per the previous GAAP and use that as deemed cost as at the transition date to Ind AS.

(This space is intentionally left blank)



Applied Research International Private Limited
CIN: U73100DL1998PTC097280
Notes to the Consolidated Financial Statements
(Amounts are in INR Lacs unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 1, 2023
5 Investment Accounted using Equity Method			
Investment in Joint Venture (unquoted) measured at cost	14.41	9.61	15.66
Add: Profit/(loss) accounted on equity method	(7.85)	5.26	(6.06)
Add: share in other comprehensive income	-	(0.46)	-
Total	6.56	14.41	9.61
Financial assets : non current			
6 Loans			
Unsecured, considered good, unless otherwise stated			
Loan to Staff and Others	8.97	10.09	-
Total	8.97	10.09	-
7 Other financial assets			
Unsecured, considered good, unless otherwise stated			
Deposits with original maturity of more than 12 months*	1,126.00	1,932.54	2,484.47
Interest Accrued on Fixed Deposits	43.85	101.58	61.46
Total	1,169.85	2,034.12	2,545.93
*Deposits amounting to Rs. 625.99 Lakhs as at March 31, 2025 (March 31, 2024 Rs. 549.53 Lakhs and March 31, 2023 Rs. 1,388.12 Lakh) are pledged against margin money. All margin money deposits are either against OD limit or against performance guarantees from banks.			
9 Other non current assets			
Unsecured, considered good, unless otherwise stated			
Prepaid Expenses	0.01	0.02	0.42
Amount deposited under Protest with Tax Authorities (refer note 39)	124.00	124.00	124.00
Interest on Income Tax Refund Receivable (refer note 39)	50.22	14.13	14.13
Total	174.23	138.15	138.56
*This amount is adjusted by the Income Tax Department towards the demand for the financial year 2016-17, which is currently under dispute and pending adjudication before the CIT(Appeals), Delhi .			
10 Inventories			
Carried at cost or net realisable value which ever less			
Raw materials	15.87	3.76	2.43
Work-in progress	62.35	69.05	315.81
Total	78.23	72.81	318.24



Applied Research International Private Limited
CIN: U73100DL1998PTC097280
Notes to the Consolidated Financial Statements
(Amounts are in INR Lacs unless otherwise stated)

Note : 8 Deferred tax assets/ (liability)

a. Amount recognised in statement of profit and loss

	For the year ended March 31, 2025	For the year ended March 31, 2024
Current income tax		
Current year	777.48	367.75
Earlier year tax	-	1.71
Total	777.48	369.46
Deferred tax	(32.15)	(110.65)
Total	745.33	258.81

b. Income taxes on other comprehensive income

	For the year ended March 31, 2025	For the year ended March 31, 2024
Deferred tax		
Re-measurements of defined benefit plans	-	8.94
Total	-	8.94

c. Reconciliation of tax expense

	For the year ended March 31, 2025	For the year ended March 31, 2024
Reconciliation of effective tax rate		
Profit before tax	2,715.19	820.01
Enacted income tax rate*	29.12%	29.12%
Tax amount	790.66	238.79
Add/(deduct) impact of:		
Expenses not allowable in income tax	81.93	152.94
Expenses allowable in income tax	(97.73)	(91.98)
Change in tax rate	-	(13.48)
Tax relating to earlier years	-	1.71
Permanent Differences	-	-
Effect of income tax that is exempt for tax	-	-
Others	(29.53)	(29.17)
Tax Expense	745.33	258.81

* Tax rate of 29.12% includes corporate tax of 12%, surcharge 12% and health and education cess of 4% on the tax amount.

d. Movement in deferred tax balances

The major components of deferred tax (liabilities) / assets arising on account of timing differences are as follows:

Particulars	As at March 31, 2024	Recognised in profit and loss	Recognised in OCI	As at March 31, 2025
Deferred tax (liabilities)/asset :				
Provision for employee benefit	(188.04)	25.24	-	(162.80)
Brought forward loss	(21.45)	33.99	-	(12.53)
Foreign operation translation reserve	(0.82)	5.90	-	(5.08)
Actuarial (Loss)/Gain	(37.47)	-	(35.84)	(73.31)
Right of use assets and lease liabilities	(21.86)	(12.00)	-	(33.86)
Property, plant, equipments and intangible assets	2.10	(45.37)	-	(43.27)
Provision for ECL	(12.85)	(8.94)	-	(21.79)
Deferred tax (asset) /liabilities (net)	(280.39)	(1.18)	(35.84)	(352.64)



Particulars	As at April 1, 2023	Recognised in profit and loss	Recognised in OCI	As at March 31, 2024
Deferred tax (liabilities)/asset :				
Provision for employee benefit	(162.94)	(25.10)	-	(188.04)
Brought forward loss	(28.21)	6.76	-	(21.45)
Foreign operation translation reserve	-	(0.82)	-	(0.82)
Acturial (Loss)/Gain	(28.53)	-	(8.94)	(37.47)
Right of use assets and lease liabilities	-	(21.86)	-	(21.86)
Property, plant, equipments and intangible assets	98.04	(95.94)	-	2.10
Provision for ECL	(38.34)	25.49	-	(12.85)
Deferred tax (asset) /liabilities (net)	(159.98)	(111.47)	(8.94)	(280.39)

(This space is intentionally left blank)



Applied Research International Private Limited
CIN: U73100DL1998PTC097280
Notes to the Consolidated Financial Statements
(Amounts are in INR Lacs unless otherwise stated)

	Particulars	As at March 31, 2025	As at March 31, 2024	As at April 1, 2023
11	Trade receivables*			
	(Unsecured, considered good, unless stated otherwise)			
	Trade receivable - billed	2,772.07	958.00	1,647.65
	Trade receivable - unbilled	13.42	35.70	85.07
	Trade receivable - which have significant increase in credit risk	-	-	-
	Trade receivable - credit impaired	-	-	13.23
	Trade receivable - from related parties	0.00	0.24	-
		2,785.49	993.94	1,745.95
	Less: Impairment Allowance (allowance for bad and doubtful debts)			
	Provision of Expected Credit Loss	(60.85)	(44.12)	(137.81)
	Trade receivables - credit impaired			
	Total	2,724.64	949.82	1,608.14
	Above Trade receivables include due by directors or other officers of the company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member (refer note 43)	55.26	-	-
	* Refer note 41 for ageing of trade receivables			
	Reconciliation of loss allowance provision of trade receivables:			
	Loss allowance at beginning of the year	124.58	137.81	13.23
	Increase in loss allowance recognised in profit or loss during the year	16.73	-	124.58
	Receivables written off during the year as uncollectible	-	(13.23)	-
	Loss allowance at closing of the year	141.31	124.58	137.81
12	Cash and cash equivalents			
	Balances with Banks			
	in Current accounts	2,623.18	1,318.30	892.48
	Deposits with original maturity for less than 3 months	-	1,300.00	-
	Cash on hand	-	-	-
	Total	2,623.18	2,618.30	892.48
13	Bank balance other than above*			
	Deposits with original maturity of more than three months but less than twelve months	172.44	0.50	175.55
	- Bank deposits with original maturity of more than 12 months	2,595.01	3,119.45	4362.08
	Less : Amount Disclosed under the head Other Non Current Assets (refer note 7)	(1,126.00)	(1,932.54)	(2,484.47)
	Less : Amount Disclosed under the head Other Financial Assets (refer note 13)	(1,469.01)	(1,186.90)	(1,877.61)
	Total	172.44	0.50	175.55

*Deposits amounting to Rs. 172.44 Lakhs as at March 31, 2025 (March 31, 2024 Rs. .50 Lakhs and March 31, 2023 Rs. 168.98 Lakh) are pledged against margin money. All margin money deposits are either against OD limit or against performance guarantees from banks.



Applied Research International Private Limited
CIN: U73100DL1998PTC097280
Notes to the Consolidated Financial Statements
(Amounts are in INR Lacs unless otherwise stated)

Particulars		As at March 31, 2025	As at March 31, 2024	As at April 1, 2023
14	Loans			
	Unsecured, considered good, unless otherwise stated			
	Loans to related party*	150.00	2.02	-
	Loans to Staff and Others	8.12	1.06	3.07
	Total	158.12	3.08	3.07
	*Unsecured Loan to ARI Labs Private Limited which is repayable on demand including interest @9.85% per annum.			
	*Above Loans include due by directors or other officers of the company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member (refer note 43)	150.00	-	-
15	Other financial assets			
	Unsecured, considered good, unless otherwise stated			
	Interest Accrued on fixed deposits	97.80	97.39	67.96
	Interest receivable on Loan to Subsidiaries	-	-	-
	Interest receivable on Loan to Related Party	0.16	-	-
	Interest Accrued on Loan to Staff	0.07	0.07	-
	Interest on Income Tax Refund Receivable	-	-	-
	Deposits with remaining maturity of Less than 12 months*	1,469.01	1,186.90	1,877.61
	Earnest money deposits	25.17	24.89	37.97
	Less:-Provision for ECL	(13.97)	-	-
	Security deposit	46.52	20.47	13.11
	Total	1,624.76	1,329.72	1,996.64
	*Deposits amounting to Rs. 1469.01 Lakhs as at March 31, 2025 (March 31, 2024 Rs. 1422.02 Lakhs and March 31, 2023 Rs. 1,866.98 Lakh) are pledged against margin money. All margin money deposits are either against OD limit or against performance guarantees from banks.			
16	Current Tax Assets(Liability) (Net)			
	Advance Payment of Tax (Net of Provision)*	614.85	982.14	857.99
	Total	614.85	982.14	857.99
	*Includes the amount adjusted by the Income Tax Department towards the demand for the financial year 2016-17, which is currently under dispute and pending adjudication before the CIT(Appeals), Delhi, against income tax refunds receivable in subsequent years.			
17	Other current assets			
	Unsecured, considered good, unless otherwise stated			
	Prepaid expenses	74.39	75.86	51.38
	Recoverable from/ balances with government authorities	76.44	281.87	433.92
	Advances for supply of goods and services	33.13	67.77	47.28
	Advance to Staff	19.49	14.62	57.04
	Other current assets	-	-	-
	Total	203.45	440.13	589.63



Particulars	As at March 31, 2025	As at March 31, 2024	As at April 1, 2023
18 Equity share capital			
Authorized share capital*			
50,00,000 (March 31, 2024: 50,00,000, April 1, 2023: 50,00,000) equity shares of Rs.10 each fully paid up	500.00	500.00	500.00
	500.00	500.00	500.00
Issued, subscribed and fully paid up			
13,28,660 (March 31, 2024: 15,30,000 and April 1, 2023: 15,30,000) equity shares of Rs.10 each fully paid up	132.87	153.00	153.00
	132.87	153.00	153.00

* During the year ended March 31, 2025, the Holding Company concluded the buyback of 2,01,340 equity shares (at a price of Rs. 921.60 per equity share) as approved by the Board of Directors on September 12, 2024 and by Shareholders in EGM as on 14th September 2024. This has resulted in a total cash outflow of Rs 22,86,62,782/- (including tax on buyback of Rs. 4,27,57,838/- and transaction costs related to buyback of Rs. 3,50,000/-). In line with the requirement of the Companies Act, 2013, an amount of Rs. 22,86,62,782/- has been utilised from retained earnings. Further, capital redemption reserve of Rs. 20,13,400 (representing the nominal value of the shares bought back) has been created as an apportionment from retained earnings. Consequent to such buyback, the issued and paid-up equity share capital has reduced by Rs. 20,13,400.

18.1 The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital:

- The Holding Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend.
- In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts in proportion to the number of equity shares held by the share holders.

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

(i) Reconciliation of number and amount of equity shares outstanding:

	No of share	Amount
As at April 1, 2023	15,30,000	153.00
Movement during the year	-	-
As at March 31, 2024	15,30,000	153.00
Movement during the year	(2,01,340.00)	(20.13)
As at March 31, 2025	13,28,660	132.87

(This space is intentionally left blank)



(ii) Details of shares held by its holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate:

Particulars	As at March 31, 2025		As at March 31, 2024		As at April 1, 2023	
	% of Holding	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding	No. of Shares Held
Equity shares of Rs. 10/- each fully paid Zen Technologies Limited - Ultimate Holding Company*	76.00%	10,09,782	0.00%	-	0.00%	-

*During the year ended 31st March, 2025, Zen Technologies Limited acquired 76% of the equity share capital of the Company through share purchase from Promoters. Pursuant to the acquisition, control over the Company has been transferred to Zen Technologies Limited with effect from 28th February, 2025.

Details of shareholders holding more than 5% shares in the Holding Company

	As at March 31, 2025		As at March 31, 2024		As at April 1, 2023	
	% of holding	No. of shares held	% of holding	No. of shares held	% of holding	No. of shares held
Equity shares of Rs. 10/- each fully paid Zen Technologies Limited	76.00%	10,09,782	0.00%	-	0.00%	-
Shravan Rewari	24.00%	3,18,878	77.59%	11,87,100	53.61%	8,20,200
Amarjeet Rewari	0.00%	-	0.00%	-	23.98%	3,66,900
Naomi Rewari	0.00%	-	22.41%	3,42,900	22.41%	3,42,900

(iii) Details of shareholding held by promoter and promoter group at the end of the year.

Particulars	As at March 31, 2025		As at March 31, 2024		As at April 1, 2023		% change during the year March 31, 2025	% change during the year March 31, 2024
	% of holding	No. of shares held	% of holding	No. of shares held	% of holding	No. of shares held		
Promoter								
Zen Technologies Limited	76.00%	10,09,782	-	-	-	-	76%	0%
Shravan Rewari	24.00%	3,18,878	77.59%	11,87,100	53.61%	8,20,200	-54%	24%
Amarjeet Rewari	0.00%	-	0.00%	-	23.98%	3,66,900	0%	-24%
Naomi Rewari	0.00%	-	22.41%	3,42,900	22.41%	3,42,900	-22%	0%



Applied Research International Private Limited
CIN: U73100DL1998PTC097280
Notes to the Consolidated Financial Statements
(Amounts are in INR Lacs unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 1, 2023
19 Other equity			
(a) General Reserve			
Opening balance	443.69	443.69	443.69
Add: Transferred from retained earnings during the period/ year	-	-	-
Closing balance	443.69	443.69	443.69
(b) Retained earning			
Opening balance	6,610.67	6,049.47	5,984.59
Add/ (Less): Profit/ (Loss) for the year	1,969.86	561.20	64.88
Less: Buyback of Equity Shares (Including Transaction Cost and Tax thereon)	(2,266.49)	-	-
Less: Transferred to Capital Redemption Reserve	(20.13)	-	-
Closing balance	6,293.90	6,610.67	6,049.47
(c) Total Other comprehensive income			
Remeasurement of Defined Benefit Plan			
Opening balance	(122.26)	(111.65)	(107.15)
Add/(Less): Remeasurement Gain/(Loss) (net of tax) for the year	(94.45)	(10.61)	(4.50)
Closing balance	(216.70)	(122.26)	(111.65)
Exchange Difference on Foreign operations			
Opening balance	(3.67)	-	-
Add : Exchange Gain/(Loss) for the year	(20.86)	(3.67)	-
Closing balance	(24.53)	(3.67)	-
(d) Capital Redemption Reserve			
Opening balance	-	-	-
Add: Transfer from Retained Earnings	20.13	-	-
Closing balance	20.13	-	-
Total other equity (a+b+c+d)	6516.49	6928.43	6381.51

Notes to reserves :

General Reserves: General Reserve created out of transfer from retained earnings.

Retained earnings: Retained earning are profit/loss that the Group has earned till date less transfer to other reserve, dividend or other distribution or transaction with shareholder.

Capital Redemption Reserve: Created on account of BuyBack of shares during the current year.

Total Other comprehensive income : Other comprehensive income consists of remeasurement gains/ (loss) on defined benefit plans and Exchange differences on translating the financial statements of a foreign operation

(This space is intentionally left blank)



	Particulars	As at March 31, 2025	As at March 31, 2024	As at April 1, 2023
20	Lease liabilities: non current			
	Lease liabilities (Refer note 47)	837.08	1,102.51	1,323.95
	Total	837.08	1,102.51	1,323.95
21	Non current provision			
	Provision for employee benefits (refer note 45)			
	Gratuity	626.24	473.11	408.08
	Compensated absence	43.18	23.80	23.98
	Total	669.42	496.91	432.06
22	Financial liabilities: current			
	Short term borrowings*			
	Secured			
	- From banks			
	Overdraft facility*	-	-	-
	Total Secured	-	-	-

*Terms of Security of Overdraft Facility and Cash Credit Facility from Banks, and Loans repayable on demand from others

Particulars	Sanctioned Amount (Rs.)	Interest Terms	As at March 31, 2025	As at March 31, 2024	As at April 1, 2023
Overdraft Limit 1	150.00	FD + 2%			
Overdraft Limit 2	874.00	FD + 2%			
Packing Credit Limit 3	-	-			
Overdraft Limit 4	750.00	MCLR/3M T-bill/any other external benchmark decided by the bank and in line with RBI guidelines			
Total			-	-	-

Security Details:

Overdraft Limit 1 - Overdraft Limit of Rs 150.00 as at March 31, 2024 and of Rs.350.57 as at March 31, 2023 (balance being Nil at both the reporting periods) from Axis Bank is fully secured against Banks Fixed Deposits.

Overdraft Limit 2 - Overdraft Limit of Rs 874.00 as at March 31, 2024 and Overdraft Limit of Rs.1,758.90 as at March 31, 2023 (balance being Nil at both the reporting periods) from HDFC Bank is fully secured against Banks Fixed Deposits.

Packing Credit Limit 3 - Packing Credit Limit (sub limit of Overdraft limit) is NIL as at March 31, 2024 and Packing Credit Limit of Rs.1,000 as at March 31, 2023 (balance being Nil at both the reporting periods) from HDFC Bank is fully secured against Banks Fixed Deposits.

Overdraft Limit 4 - Overdraft Limit of Rs 750.00 as at March 31, 2024 and of Nil as at March 31, 2023 (balance being Nil at both the reporting periods) from HSBC Bank is fully secured against Banks Fixed Deposits.

23	Lease liabilities: current			
	Lease liabilities (refer note 47)	265.42	287.24	317.25
	Total	265.42	287.24	317.25
24	Trade payables*			
	total outstanding dues of micro and small enterprises	7.28	0.00	15.22
	total outstanding dues of creditors other than micro and small enterprises	1280.32	199.95	441.05
	Total	1,287.60	199.95	456.27

* Refer note 40 for ageing of trade payables



Applied Research International Private Limited
CIN: U73100DL1998PTC097280
Notes to the Consolidated Financial Statements
(Amounts are in INR Lacs unless otherwise stated)

Particulars		As at March 31, 2025	As at March 31, 2024	As at April 1, 2023
25	Other financial liabilities			
	Interest payable to Micro and Small Enterprises	0.14	0.24	0.47
	Other expenses payable	68.91	101.61	10.53
	Employee benefits payable	565.04	307.03	272.60
	Total	634.08	408.88	283.59
26	Other current liability			
	Contract liabilities (advance from customer)/Unearned Revenue	643.35	1,031.25	2,333.60
	Statutory dues	247.53	94.25	119.17
	Other Current Liability	2.14	7.39	
	Total	893.02	1,132.89	2,452.77
27	Provision: current			
	Provision for employee benefits (refer note 45)			
	Gratuity	73.05	82.51	76.37
	Compensated absence	4.04	7.33	7.20
	Bonus	1.05	2.03	2.01
	Provision for warranties	4.39	80.50	65.50
	Total	82.53	172.38	151.06

(This space is intentionally left blank)



Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
28 Revenue from operations		
<u>Revenue from contracts with customers</u>		
(i) Disaggregated revenue information		
Set out below is the disaggregation of the Group revenue from contracts with customers		
a) Revenue from Sale of Products		
Simulators	8,391.55	3,504.39
Simulation Software	1,847.27	2,644.42
b) Revenue from Sale of Services		
Maintenance Or Repairs Service	468.80	566.59
Erection Installation & Commissioning	279.09	800.46
Digital Services e-Sim Cloud	670.09	563.88
Digital Services e-Sim Cloud Trainers	1,009.45	814.97
Digital Exam Course Fee	796.35	-
Management Consultancy Services Fees	249.83	250.42
c) Other operating revenue (Sale of Books)		
Sale of Books	26.84	26.82
Total revenue from contracts with customers	13,739.27	9,171.96

Disclosure under Ind AS 115, revenue from contracts with customers

- A) The Group primarily deals in Simulator Technology; Simulator hardware and software products and Simulator's related allied services including annual maintenance services. The simulator product portfolio encompasses Marine (navigation, propulsion, cargo handling, GMDSS); Drilling (surface tools and down-hole); Offshore (navigation, ship handling, fore and aft bridge operations, dynamic positioning, anchor handling); Crane (ports and terminals, vessel based, construction, mobile) as well as Naval, Driving and Custom Simulators. ARI simulator systems are powered by their latest visualization engine, providing unprecedented realism in environment, physics, fluid dynamics and hydrodynamics. Further since the Group attempts to use a unified simulation system, all of their products can interact with one another to create uniquely powerful and compelling simulations of real world collaborative operations.
- B) Group's activities in marine technology sector includes conducting formal training courses for Upgradation of skills for marine personnel.
- C) The Group is providing Online/Cloud Based Simulation remote training session. Simulation Content and interactivity offered through the cloud are proprietary and contain copyrighted material.ARI deliverables is used by the Customer for the intended purpose of training its own authorized users only.
- B) **Reconciliation of contract assets and liabilities**
- D) **The following table provides information about contract asset and contract liabilities from contract with customers:**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Contract assets*		
Unbilled receivables		
Contract assets at the beginning of the year	35.70	85.07
Add: Addition during the year	13.42	35.70
Less: Revenue recognised during the year	(35.70)	(85.07)
Contract assets as at end of the year	13.42	35.70
Contract liabilities**		
Advance from customers		
Contract liabilities at the beginning of the year	1,031.25	2,333.60
Add: Addition during the year	643.35	1,031.25
Less: Applied during the year	(1,031.25)	(2,333.60)
Contract liabilities as at end of the year	643.35	1,031.25

*The contract assets primarily relate to the Group's rights to consideration for performance obligation satisfied but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. Invoices are raised on the customers based on the agreed contractual terms.

**The contract liabilities primarily relates to the advances from customer towards on-going projects. Revenue is recognised from the contract liability as and when such performance obligations are satisfied.



Applied Research International Private Limited
CIN: U73100DL1998PTC097280
Notes to the Consolidated Financial Statements
(Amounts are in INR Lacs unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
29 Other income		
<u>Interest income on</u>		
Bank Deposits	212.91	286.04
From others	37.08	0.84
<u>Other non-operating income</u>		
Gain on Foreign Exchange	46.91	-
Equipment Rental Sales	-	-
Profit on sale of property, plant and equipments	1.97	-
Unwinding of discount on Security deposit	0.34	0.31
Liabilities / provisions no longer required written back	2.29	49.72
Reversal of Warrenty provision	73.90	-
Reversal of Expected Credit Loss	-	80.46
Total	375.40	417.37
30 Cost of material consumed		
Opening stock	3.76	2.43
Purchases	2,466.32	1,318.39
Less: Closing stock	15.87	3.76
Total	2454.21	1317.05
31 Operating Expenses		
Consumption of stores and spares	2.91	1.89
Power and fuel	63.77	64.73
Technical and professional fees	834.78	738.39
Software Expenses	108.41	98.53
Repairs and maintenance-Equipment and Computers	10.49	24.42
STPI Fees	2.50	2.25
Freight and forwarding charges	75.62	40.81
Insurance Transit	4.34	6.50
Total	1102.83	977.52
32 Changes in inventories of finished goods, work-in progress and traded goods		
Inventories at the beginning of the year		
Work-in progress	69.05	315.81
	69.05	315.81
Less: Inventories at the end of the year		
Work-in progress	62.35	69.05
	62.35	69.05
Changes in inventories of finished goods, work-in progress and traded goods	6.70	246.76



Applied Research International Private Limited
CIN: U73100DL1998PTC097280
Notes to the Consolidated Financial Statements
(Amounts are in INR Lacs unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
33 Employee benefits expenses		
Salaries, wages and bonus	4,665.38	3,350.37
Gratuity expenses	83.80	74.48
Contribution to provident and other funds	88.11	67.24
Provision for compensated absence	8.90	6.50
Staff welfare expenses	3.42	3.56
Insurance Travel - Staff	0.66	0.82
Total	4,850.27	3,502.98

33.1 Research & development Expenses

Revenue Expenses

Salaries, wages and bonus (Included in note no. 33)

	878.30	838.45
Total (A)	878.30	838.45

Capital Expenses

Computers (Note no. 3)

Equipments (Note no. 3)

	-	134.70
	10.16	5.10
Total (B)	10.16	139.80

The R&D Centre of the Holding Company is located at New Delhi operational since 2016. Pursuant to its recognition and approval with Department of Scientific and Industrial Research (DSIR) same had received recognition for the period 26th Oct 2016 to 31st March 2019 which was further renewed upto 31st March 2022. Even during the current year Holding Company has maintained separate accounts for R&D Centre. For current year Holding Company is claiming 100% deduction of aforesaid R&D expenses both revenue and capital under Section 35(1)(i) and Section 35(1)(iv) of the Income-tax Act, 1961.

34 Depreciation and amortisation expenses

Depreciation on property, plant and equipment

Amortisation of intangible assets

Depreciation on right of use assets

198.93	298.20
50.03	50.28
328.43	328.43

Total

577.39 676.92

35 Finance cost

Other borrowing cost:

Bank Guarantee Charges

8.31 -

Interest on :

Lease Liability

Working capital loan

Late payment of statutory dues

Term Loan

Other Interest

122.90	149.46
1.64	11.52
1.50	-
0.03	-
0.14	1.73

Total

134.52 162.71



Applied Research International Private Limited
CIN: U73100DL1998PTC097280
Notes to the Consolidated Financial Statements
(Amounts are in INR Lacs unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
36 Other expenses		
Tender Expenses	1.47	3.26
Bank and finance charges	18.17	21.45
AMC Expense	32.02	25.82
Repairs and maintenance-Buildings	8.80	67.31
Repairs and maintenance-Others	5.92	25.84
Communication costs	6.02	7.26
Exchange differences (net)	-	19.93
Rent	21.44	16.82
Rates and taxes	14.17	60.16
Festival Expenses	16.10	18.08
Allowance / (reversal) for expected credit loss on receivables	30.70	
General Expenses	41.54	39.17
House Keeping	5.88	6.45
Postage/Courier charges	7.57	4.83
Insurance expenses	38.76	38.46
Loss on sale of Property, plant and equipment	-	177.64
Telephone & Internet Expenses	386.60	333.22
Subscription & Membership fees	3.54	9.02
Security Expense	8.91	3.52
Travelling & conveyance	264.63	270.00
Legal and professional expenses	1,056.56	388.08
Petrol & Diesel	8.66	9.19
Payment to auditor	22.40	26.40
Corporate Social Responsibility	7.00	-
Vehicle Running & Maintenance Charges	3.63	4.45
Exhibition expenses	22.20	22.65
Business Promotion	17.34	23.28
Student Fooding & Welfare Expenses	44.28	29.04
Other Course Expenses	15.06	7.80
Printing and stationery	5.29	26.23
Provision for warranties	-	17.68
Bad Debts Written off	134.44	187.30
Royalty (On Textbooks)	14.46	-
Newspaper, Books & Periodicals	-	0.28
Miscellaneous expenses	2.15	-
Total	2,265.72	1,890.63



Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
-------------	--------------------------------------	--------------------------------------

37 Earnings per share (EPS) computed in accordance with Ind AS 33 "Earnings Per Share"

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Net profit for the year	1,969.86	561.21
Number of equity share at the beginning of the year	15,30,000	15,30,000
Add: BuyBack during the year	(2,01,340)	-
Add: Bonus issue	-	-
Add: Impact of share split (Refer Note (ii) below)	-	-
Number of equity share at the end of the year	13,28,660	15,30,000
Weighted average number of equity shares outstanding during the year- Basic	14,24,090	15,30,000
Weighted average number of equity shares arising out of grant of employee stock	-	-
Add: Weighted average number of potential equity shares on account of share	-	-
Weighted average number of equity shares outstanding during the year- Diluted	14,24,090	15,30,000
Face value of equity shares (Rs. per share)	10	10
Earning per share (Basic) (Rs.)	138.32	36.68
Earning per share (Diluted) (Rs.)	138.32	36.68

(This space is intentionally left blank)



38 Capital and other commitments

The Group does not have any capital or other commitment as at March 31, 2025.

39 Contingent Liabilities

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 1, 2023
Income Tax matters*	625.48	625.48	641.05

* 1. Represents an income tax demand in assessment proceedings for FY 2016-17 consisting of Principal Tax Demand of Rs. 424.86 Plus Interest Rs. 196.03, all totalling to Rs. 620.90 out of which Tax Paid on Protest totalling to Rs. 124.18/-. The illegal disallowances so made in the course of assessment proceedings have been contested in Appeal before jurisdictional CIT(Appeals), Delhi and also a Rectification Application made for short credit of taxes etc., all of which remain pending disposal so far. The tax demand against multiple issues of disallowance of legible claim of deductions in respect of R&D Expenses, exgratia payments, etc. for which tax advisors and consulting tax advocates have stated to be sustained on ultimate outcome of the appeal and rectification proceedings and accordingly would not have a material adverse effect on the Group's financial position and the results of operations. The subsequent years tax refunds with interest have been adjusted against said demands.

2. Further, while passing assessment order for AY 2018-19 i.e. FY 2017-18 under Income-tax Act, 1961, the Assessing Officer (AO) not allowed the credit of tax paid on distribution of dividend (DDT) of Rs.3.12 and created a demand for the same with interest of Rs.1.46 totalling to Rs.4.58 and adjusted the same against the refund of Income-tax receivable for AY 2018-19. The Group has decided to challenge the aforesaid Order for not allowing credit of DDT, which was duly paid. The Group has contested the same in Appeal before Jurisdictional CIT (Appeal), Delhi.

40 Trade payable ageing

(i) Trade payable ageing schedule as at March 31, 2025 is as follows:-

Particulars	Outstanding for following periods from the due date of payment*					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	7.28	-	-	-	7.28
(ii) Others	-	1,280.32	-	-	-	1,280.32
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-	-
Total	-	1,287.60	-	-	-	1,287.60

(ii) Trade payable ageing schedule as at March 31, 2024 is as follows:-

Particulars	Outstanding for following periods from the due date of payment*					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	-	199.95	-	-	-	199.95
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-	-
Total	-	199.95	-	-	-	199.95

(iii) Trade payable ageing schedule as at April 1, 2023 is as follows:

Particulars	Outstanding for following periods from the due date of payment*					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	14.67	0.55	-	-	15.22
(ii) Others	-	415.08	25.76	-	0.21	441.05
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-	-
Total	-	429.75	26.31	-	0.21	456.27



41 Trade receivable ageing

(ii) Trade receivable ageing schedule as at March 31, 2025 is as follows:-

Particulars	Outstanding for following periods from the date of transaction						Total
	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables - considered good	-	2,483.61	165.57	66.05	45.74	11.10	2,772.07
(ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total ageing of receivables	-	2,483.61	165.57	66.05	45.74	11.10	2,772.07
Add: Unbilled revenue							13.42
Less: Allowances for expected credit losses							(60.85)
Total trade receivable	-	2,483.61	165.57	66.05	45.74	11.10	2,724.64

(ii) Trade receivable ageing schedule as at March 31, 2024 is as follows:-

Particulars	Outstanding for following periods from the date of transaction						Total
	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables - considered good	-	632.96	77.08	173.96	74.24	-	958.24
(ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total ageing of receivables	-	632.96	77.08	173.96	74.24	-	958.24
Add: Unbilled revenue							35.70
Less: Allowances for expected credit losses							(44.12)
Total trade receivable	-	632.96	77.08	173.96	74.24	-	949.82

(iii) Trade receivable ageing schedule as at April 1, 2023 is as follows:-

Particulars	Outstanding for following periods from the date of transaction						Total
	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables - considered good	-	1,139.87	236.42	77.57	176.47	17.32	1,647.65
(ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	13.23	13.23
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total ageing of receivables	-	1,139.87	236.42	77.57	176.47	30.55	1,660.88
Add: Unbilled revenue	-	-	-	-	-	-	85.07
Less: Allowances for expected credit losses	-	-	-	-	-	-	(137.81)
Total trade receivables	-	1,139.87	236.42	77.57	176.47	30.55	1,608.14



42 FINANCIAL INSTRUMENTS

42.1 Classification Of Measurements of Financial Instruments

Methods & assumptions used to estimate the fair values

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- The carrying amounts of receivables and payables which are short term in nature such as trade receivables, security deposits given, loans given to related parties and others, cash and cash equivalents, other bank balances, security deposits taken, other current financial assets, short- term borrowings, trade payables, payables for acquisition of non- current assets and other current financial liabilities are considered to be the same as their fair values.
- The fair values for long term borrowings and lease liabilities were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.
- For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

CATEGORY-WISE CLASSIFICATION OF FINANCIALS INSTRUMENTS

	As at March 31, 2025	FVTPL	FVTOCI	Amortised cost	Total
A.	Financial assets				
	Cash and cash equivalents	-	-	2,623.18	2,623.18
	Bank balances other than above	-	-	172.44	172.44
	Trade receivables	-	-	2,724.64	2,724.64
	Other financial assets	-	-	2,794.61	2,794.61
	Loans	-	-	167.09	167.09
	Total	-	-	8,481.96	8,481.96
B.	Financial liabilities				
	Borrowings	-	-	-	-
	Lease liabilities	-	-	1,103	1,102.51
	Trade payables	-	-	1,287.60	1,287.60
	Other financial liabilities	-	-	634.08	634.08
	Total	-	-	3,024.19	3,024.19

	As at March 31, 2024	FVTPL	FVTOCI	Amortised cost	Total
A.	Financial assets				
	Cash and cash equivalents	-	-	2,618.30	2,618.30
	Bank balances other than above	-	-	0.50	0.50
	Trade receivables	-	-	949.82	949.82
	Other financial assets	-	-	3,363.84	3,363.84
	Loans	-	-	3.08	3.08
	Total	-	-	6,935.54	6,935.54
B.	Financial liabilities				
	Borrowings	-	-	-	-
	Lease liabilities	-	-	1,390	1,389.74
	Trade payables	-	-	199.95	199.95
	Other financial liabilities	-	-	408.88	408.88
	Total	-	-	1,998.58	1,998.58



	As at April 1, 2023	FVTPL	FVTOCI	Amortised cost	Total
A. Financial assets					
Cash and cash equivalents	-	-	-	892.48	892.48
Bank balances other than above	-	-	-	175.55	175.55
Trade receivables	-	-	-	1,608.14	1,608.14
Other financial current assets	-	-	-	4,542.57	4,542.57
Loans	-	-	-	3.07	3.07
Total	-	-	-	7,221.80	7,221.80
B. Financial liabilities					
Borrowings	-	-	-	-	-
Lease liabilities	-	-	-	1,641	1,641.20
Trade payables	-	-	-	456.27	456.27
Other financial liabilities	-	-	-	283.59	283.59
Total	-	-	-	2,381.06	2,381.06

Fair value hierarchy:

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

For assets and liabilities which are measured at fair value as at balance sheet date, the classification of fair value calculations by category is summarised below:

Particulars	Level 1	Level 2	Level 3	Total
As at March 31, 2025				
Financial Assets measured at FVTPL				
Investments				
Equity instruments	-	-	-	-
As at March 31, 2024				
Financial Assets measured at FVTPL				
Investments				
Equity instruments	-	-	-	-
As at March 31, 2023				
Financial Assets measured at FVTPL				
Investments				
Equity instruments	-	-	-	-

There were no transfers between Level 1, Level 2 or Level 3 for the period ended March 31, 2025, March 31, 2024 and April 1, 2023.

Fair value of financial assets and liabilities measured at amortised cost

	Particulars	As at March 31, 2025		As at March 31, 2024		As at April 1, 2023	
		Carrying Cost	Fair value	Carrying Cost	Fair value	Carrying Cost	Fair value
A Financial Assets							
Cash and cash equivalents		2,623.18	2,623.18	2,618.30	2,618.30	892.48	892.48
Bank balances other than above		172.44	172.44	0.50	0.50	175.55	175.55
Trade receivables		2,724.64	2,724.64	949.82	949.82	1,608.14	1,608.14
Other financial assets		2,794.61	2,794.61	3,363.84	3,363.84	4,542.57	4,542.57
Loans		167.09	167.09	3.08	3.08	3.07	3.07
		8,481.96	8,481.96	6,935.54	6,935.54	7,221.80	7,221.80
B Financial Liabilities							
Borrowings		-	-	-	-	-	-
Trade payables		1,287.60	1,287.60	199.95	199.95	456.27	456.27
Lease liabilities		1,102.51	1,102.51	1,389.74	1,389.74	1,641.20	1,641.20
Other financial liabilities		634.08	634.08	408.88	408.88	283.59	283.59
		3,024.19	3,024.19	1,998.58	1,998.58	2,381.06	2,381.06



42.2 Financial Risk Management

The Chief Operating Decision Maker (CODM) being the Board of Directors (Board) has overall responsibility for the establishment and oversight of the Group risk management framework. The Board of Directors regularly reviews the changes in the market conditions, management policies and procedures and the adequacy of risk management framework in relation to the risks faced by the Group. The framework seeks to identify, assess and mitigate financial risk in order to minimize potential adverse effects on the Group's financial performance.

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk; and
- Market risk

1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligation, and arises from the operating activities primarily (trade receivables) and investing activities including deposits, loans to related parties or others, and other financial assets. The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of financial assets. A default of financial assets is when there is a significant increase in the credit risk which is evaluated based on the business environment. The assets are written off when the Group is certain about the non-recovery.

(i) Investment in Loans given, Cash and cash equivalents and Other Bank balances:

The Group provides for expected credit loss based on lifetime expected credit loss mechanism for Loans given.

Credit Risk from investment in Cash and cash equivalents and Other Bank balances are managed as per Group's policy. The credit risk for cash deposits with banks and cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Also, no impairment loss has been recorded in respect of fixed deposits that are with recognized commercial banks and are not past due. The Group considers that its cash and cash equivalents and other bank balances have low credit risk.

Other financial assets being security deposits and others are also due from several counter parties and based on historical information about defaults from the counter parties, management considers the quality of such assets that are not past due to be good. The carrying amounts disclosed above are the Group's maximum possible credit risk exposure in relation to these deposits.

Impairment on cash and cash equivalents, deposits and other financial instruments has been measured on the 12-month expected credit loss basis and reflects the short maturities of the exposures. Based on the assessment there is no impairment in the cash and cash equivalents and Other Bank balances.

The exposure to credit risk for above financial assets as at the reporting dates was as follows:

March 31, 2025

Particulars	Gross carrying	Expected credit	Carrying amount
Cash & cash equivalents	2,623.18	-	2,623.18
Bank balance other than cash and cash equivalents	172.44	-	172.44
Other financial assets	2,808.57	(13.97)	2,822.54
Loans	167.09	-	167.09
Investments	-	-	-
Total	5,771.29	(13.97)	5,785.25

March 31, 2024

Particulars	Gross carrying	Expected credit	Carrying amount
Cash & cash equivalents	2,618.30	-	2,618.30
Bank balance other than cash and cash equivalents	0.50	-	0.50
Other financial assets	3,363.84	-	3,363.84
Loans	3.08	-	3.08
Investments	-	-	-
Total	5,985.72	-	5,985.72

April 1, 2023

Particulars	Gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Cash & cash equivalents	892.48	-	892.48
Bank balance other than cash and cash equivalents	175.55	-	175.55
Other financial assets	4,542.57	-	4,542.57
Loans	3.07	-	3.07
Investments	-	-	-
Total	5,613.66	-	5,613.66



(ii) Trade Receivables:

Customer credit risk is managed based on Group's established policy, procedures and controls. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Credit risk is reduced by receiving pre-payments. The Group has a well defined sales policy to minimize its risk of credit defaults. The outstanding customer receivables are regularly monitored and assessed. Impairment analysis is performed based on historical data at each reporting date. However a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

Expected credit loss under simplified approach for trade receivables:

As at March 31, 2025	Gross Carrying Amount	Expected Loss Rate	Expected Credit Loss	Carrying amount of trade receivables (net of impairment)
Ageing of gross carrying amount				
Not Due	-	0.00%	-	-
Unbilled revenue	13.42	0.00%	-	13.42
less than 1 Year	2,649.18	0.95%	25.21	2,623.97
1-2 years past due	66.05	16.65%	11.00	55.05
2-3 years past due	45.74	29.61%	13.54	32.20
More than 3 years past due	11.10	100.00%	11.10	-
Net carrying amount	2,785.49	-	60.85	2,724.64

As at March 31, 2024	Gross Carrying Amount	Expected Loss Rate	Expected Credit Loss	Carrying amount of trade receivables (net of impairment)
Ageing of gross carrying amount				
Not Due	-	0.00%	-	-
Unbilled revenue	35.70	0.00%	-	35.70
less than 1 Year	710.04	2.64%	18.77	691.26
1-2 years past due	173.96	11.11%	19.32	154.64
2-3 years past due	74.24	8.11%	6.02	68.22
More than 3 years past due	-	0.00%	-	-
Net carrying amount	993.94		44.12	949.82

As at March 31, 2023	Gross Carrying Amount	Expected Loss Rate	Expected Credit Loss	Carrying amount of trade receivables (net of impairment)
Ageing of gross carrying amount				
Not Due	-	0.00%	-	-
Unbilled revenue	85.07	0.00%	-	85.07
less than 1 Year	1,376.29	2.78%	38.21	1,338.08
1-2 years past due	77.57	44.00%	34.13	43.44
2-3 years past due	176.47	19.79%	34.92	141.55
More than 3 years past due	30.55	100.00%	30.55	-
Net carrying amount	1,745.95		137.81	1,608.14



2) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are proposed to be settled by delivering cash or other financial asset. The Group's financial planning has ensured, as far as possible, that there is sufficient liquidity to meet the liabilities whenever due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

Maturities profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments

	Less than 1 year	1-5 years	More than 5 years	Total
As at March 31, 2025				-
Borrowings				-
Lease liabilities	423.04	847.24		1,270.28
Trade payables	1,287.60			1,287.60
Other financial liabilities	634.08			634.08
Total	2,344.72	847.24	-	3,191.96
As at March 31, 2024				-
Borrowings				-
Lease liabilities	410.13	1,270.28		1,680.41
Trade payables	199.95			199.95
Other financial liabilities	408.88			408.88
Total	1,018.97	1,270.28	-	2,289.25
As at April 1, 2023				-
Borrowings				
Lease liabilities	221.30	1,680.41		1,901.71
Trade payables	456.27			456.27
Other financial liabilities	283.59			283.59
Total	961.16	1,680.41	-	2,641.57

Financing arrangements

The Group pays special attention to the net operating working capital invested in the business. In this regard, as in previous years, considerable work has been performed to control and reduce collection periods for trade and other receivables, as well as to optimise accounts payable with the support of banking arrangements to mobilise funds.



3) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long term debt. The Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Group's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

a) Currency risk

The Group is exposed to currency risk on account of its operating activities. The functional currency of the Group is Indian Rupee.

Sensitivity analysis

A 5% strengthening / weakening of the respective foreign currencies with respect to functional currency of the Group would result in increase or decrease in profit or loss and equity as shown in table below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following analysis has been worked out based on the exposures as of the date of statements of financial position.

Impact on Profit or Loss and Other equity	As at March 31, 2025	As at March 31, 2024	As at April 1, 2023
- in USD			
5% Increase	71.34	15.91	42.91
5% Decrease	(71.34)	(15.91)	(42.91)
- in EURO			
5% Increase	18.78	16.83	2.86
5% Decrease	(18.78)	(16.83)	(2.86)
- in GBP			
5% Increase	0.59	3.17	2.32
5% Decrease	(0.59)	(3.17)	(2.32)
- in SGD			
5% Increase	12.79	-	-
5% Decrease	(12.79)	-	-
- in KRW			
5% Increase	0.33	0.72	0.48
5% Decrease	(0.33)	(0.72)	(0.48)

b) Price Risk

The Group is mainly exposed to the price risk due to its investment. The price risk arises due to uncertainties about the future market values of these investments. The Group has laid policies and guidelines which it adheres to in order to minimise price risk arising from investments. However as at year end Group did not have any such investments.

Particulars	For the year ended		
	March 31, 2025	March 31, 2024	As at April 1, 2023
Investments	-	-	-
Total	-	-	-
Sensitivity analysis			
Impact on profit or loss and other equity			
1% Increase in price	profit and loss	-	-
1% Decrease in price	profit and loss	-	-
Sensitivity analysis			
1% Increase in price	equity net of tax	-	-
1% Decrease in price	equity net of tax	-	-



c) Interest rate risk

Interest rate risk refers to the potential for changes in market interest rates to cause fluctuations in the fair value or future cash flows of a financial instrument. The Group's exposure to market risk for changes in interest rates relates borrowings from banks and financial institutions. However as at year end Group did not have any outstanding borrowings

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Variable rate instruments			
Financial liabilities	-	-	-
	-	-	-
Interest rate sensitivity - variable rate borrowings			
Particulars	For the period / year ended		
	March 31, 2025	March 31, 2024	As at April 1, 2023
Impact on profit or loss and other equity			
Variable-rate instruments			
1% increase	-	-	-
1% decrease	-	-	-

The risk estimates provided assume a change of 1% interest rate for the interest rate benchmark as applicable to the borrowings summarised above. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

42.3 Capital management

The Group 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. The primary objective of the Group capital management strategy is to maximise shareholder value. The Group manages its capital, making adjustments as necessary in response to changing economic and market conditions.

In alignment with industry practices, the Group monitors its capital structure using the following gearing ratio

- **Net Debt:** Defined as total borrowings and lease liabilities, net of cash and cash equivalents (classified under financial liabilities in accordance with Ind AS 109).
- **Total Equity:** Including equity attributable to the shareholders of the parent and non-controlling interests as presented in the balance sheet.
- **Gearing Ratio:** Defined as net debt divided by total capital (sum of net debt and equity).

The Group confirms that during the reported period, there have been no breaches of the financial covenants associated with any interest-bearing loans and borrowings.

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 1, 2023
Borrowings (non current)	-	-	-
Borrowings (current)	-	-	-
Less: cash and cash equivalents	-	-	-
Net debt (A)	-	-	-
Total equity (B)	6,649.36	7,081.43	6,534.51
Capital and net debt(C=A+B)	6,649.36	7,081.43	6,534.51
Gearing ratio A/C	0.00%	0.00%	0.00%



Applied Research International Private Limited
CIN: U73100DL1998PTC097280
Notes to the Consolidated Financial Statements
(Amounts are in INR Lacs unless otherwise stated)

43 Related party disclosures, as required by Indian Accounting Standard 24 (Ind AS 24) are given below:

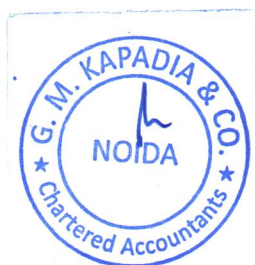
A) List of Related Parties with Relationship

Ultimate Holding Company	Zen Technologies Limited
Subsidiaries	Applied Research International USA Inc., USA Applied Research International (UK) Ltd, UK ARI(Applied Research International) Pte. Ltd.
Fellow Subsidiaries	ARI Labs Private Limited
Joint Venture	KIC SOLUTIONS CO., LTD, South Korea

Key management personnel

Particulars	Designation	Date of Appointment
Mr. Shravan Rewari	Managing Director	w.e.f., 02-12-1998 upto 28-02-2025
	Non Executive Director	w.e.f., 28-02-2025
Mrs. Naomi Rewari	Whole Time Director	Ceased w.e.f., 28-02-2025
Mrs. Amarjeet Rewari	Whole Time Director	Ceased w.e.f., 28-02-2025
Mr. Ashok Atluri	Director	w.e.f., 28-02-2025
Mr. Sanjay Kumar	Director	w.e.f., 28-02-2025
Mrs. Sirisha Chintapalli	Independent Director	w.e.f., 19-03-2025

Entities over which key managerial person or their	Digitally Enabled Spaces Pvt Ltd Capt.S.S.S. Rewari ARI Charitable Trust
--	---

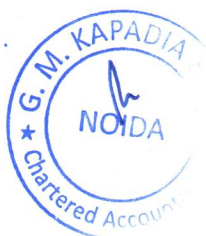


B) Related Party Related Party Transactions

The following transactions were carried out with the related parties in the ordinary course of business.

In The Books of Applied Research International Private Limited

S.No.	Particulars	Nature of Transaction	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended April 1, 2023
1	Mr. Shravan Rewari	Rent Paid	239.49	239.49	239.49
		Remuneration paid	467.50	150.00	150.00
		Closing Balances:			
		Trade Payables	21.55	-	-
2	Mrs. Amarjeet Rewari	Royalty of Publishing book Paid	6.51	-	2.81
		Rent Paid	-	1.80	1.80
		Remuneration paid	288.00	36.00	36.00
		Closing Balances:			
3	Mrs. Naomi Rewari	Royalty payable	-	-	2.53
		Remuneration paid	302.98	60.00	60.00
		Professional Charged Paid	-	-	0.25
		Closing Balances:			
4	Digitally Enabled Spaces Pvt Ltd	Other receivables	-	-	-
		Other payables	-	-	-
		Rent Paid	156.67	147.46	147.46
		Closing Balances:			
5	KIC Solutions Co. Ltd.	Trade Payables	15.26	-	-
		Investment in Equity Shares	-	-	15.66
		Closing Balances:			
		Investment	6.56	14.41	9.61
6	ARI Labs Private Limited	Loan Given	150.00	-	-
		Interest Accrued on Loan	0.16	-	-
		Closing Balances:			
		Interest Accrued on Loan	0.16	-	-
7	Capt.S.S.S. Rewari ARI Charitable Trust	Loans and advances	150.00	-	-
		CSR Contribution	7.00	-	-
		Closing Balances:			



44 Additional information pursuant to Division II of Schedule III to the Companies Act, 2013 'General instructions, of enterprises consolidated as subsidiaries / associate for the preparation of Consolidated financial statement

As at March 31, 2025	Net Assets i.e., total assets minus total liabilities		Share in profit/(loss)		Share in other comprehensive income		Share in other comprehensive income	
Name of the entity in the Group	As % of Consolidated Net Assets	Amount	As % of consolidated profit/(loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated other comprehensive income	Amount
Holding Company								
Applied Research International Private Limited	103.39%	6,874.54	93.75%	1,846.74	100.00%	(115.31)	93.36%	1,731.43
Subsidiary Company								
Applied Research International USA Inc.	0.26%	17.31	1.53%	30.05	0.00%	-	1.62%	30.05
Applied Research International (UK) Ltd	0.16%	10.64	0.00%	(0.03)	0.00%	-	0.00%	(0.03)
ARI(Applied Research International) Pte. Ltd.	-2.61%	(173.68)	5.12%	100.94	0.00%	-	5.44%	100.94
Joint Venture								
KIC Solutions Co., Ltd	0.00%	-	-0.40%	(7.85)	0.00%	-	-0.42%	(7.85)
Eliminated on account of consolidation	-1.19%	(79.45)	0.00%	0.00			0.00%	0.00
Total as per Consolidated Financial Statement	100.00%	6,649.36	100.00%	1,969.86	100.00%	-115.31	100.00%	1,854.55

As at March 31, 2024	Net Assets i.e., total assets minus total liabilities		Share in profit/(loss)		Share in other comprehensive income		Share in other comprehensive income	
Name of the entity in th Group	As % of consolidated net assets	Amount	As % of consolidated profit/(loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated other comprehensive income	Amount
Holding Company								
Applied Research International Private Limited	104.62%	7,408.87	139.84%	784.77	74.29%	(10.61)	141.55%	774.16
Subsidiary Company								
Applied Research International USA Inc.	-0.20%	(14.51)	4.33%	24.28	0.00%	-	4.44%	24.28
Applied Research International (UK) Ltd	0.14%	10.18	-0.06%	(0.35)	0.00%	-	-0.06%	(0.35)
ARI(Applied Research International) Pte. Ltd.	-3.55%	(251.50)	-45.04%	(252.77)	0.00%	-	-46.22%	(252.77)
Joint Venture								
KIC Solutions Co., Ltd	0.00%	-	0.94%	5.26	-5.71%	0.82	1.11%	6.08
Eliminated on account of consolidation	-1.01%	(71.61)	0.00%	-	0.00%	-	0.00%	-
Total as per Consolidated Financial Statement	100.00%	7,081.43	100.00%	561.20	68.58%	-14.28	100.82%	546.92



As at April 1, 2023	Net Assets i.e., total assets minus total liabilities		Share in profit/(loss)		Share in other comprehensive income		Share in Total comprehensive income	
Name of the entity in th Group	As % of consolidated net assets	Amount	As % of consolidated profit/(loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated other comprehensive income	Amount
Holding Company								
Applied Research International Private Limited	101.53%	6,634.71	47.24%	30.65	100%	(4.50)	43.30%	26.15
Subsidiary Company								
Applied Research International USA Inc.	-0.57%	(37.33)	64.37%	41.77	-	-	69.16%	41.77
Applied Research International (UK) Ltd	0.16%	10.19	1.51%	0.98	-	-	1.62%	0.98
ARI(Applied Research International) Pte. Ltd.	0.05%	3.36	-3.77%	(2.45)	-	-	-4.05%	(2.45)
Joint Venture								
KIC Solutions Co., Ltd	0.00%	-	-9.34%	(6.06)	-	-	-10.03%	(6.06)
Eliminated on account of consolidation	-1.17%	(76.41)	-0.02%	(0.01)	-	-		
Total as per Consolidated Financial Statement	100.00%	6,534.51	100.00%	64.88	100.00%	(4.50)	100.00%	60.39



45 Post employment benefit plans: The Group has the following defined benefit plans.

Gratuity: In accordance with the applicable laws, the Holding Company provides for gratuity, a defined benefit retirement plan ("The Gratuity Plan") covering eligible employees. The gratuity plan provides for a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the gratuity plan are determined by actuarial valuation on the reporting date.

Particulars	As at March 31, 2025	As at March 31, 2024
I. Change in present value of obligation		
Reconciliation of present value of defined benefit obligation		
Present value of the obligation at the beginning of the year	555.63	484.45
Benefits paid	(63.24)	(29.40)
Current service cost	43.52	38.15
Past service cost	-	-
Interest cost	40.28	36.33
Actuarial (gain) / loss recognised in OCI	123.10	26.10
Present value of the obligation at the end of the year	699.29	555.63
Reconciliation of (net assets)/liability recognised		
Provision for gratuity recognised as per actuarial valuation report	699.29	555.63
Add: Additional provision retained for employees transferred within the Group	-	-
Add: Additional provision on account of terminal benefits done under arithmetic calculation	-	-
Liability/ (assets) recognised in the balance sheet	699.29	555.63

II. Amount recognised in the Consolidated Statement of Profit and Loss under Employee Benefits Expense

(i) Expense recognised in the Consolidated Statement of Profit and Loss

Particulars	As at March 31, 2025	As at March 31, 2024
Current service cost	43.52	38.15
Interest cost	40.28	36.33
Reconciliation of (net assets)/liability recognised		
Provision for gratuity recognised as per actuarial valuation report	83.80	74.48
Add: Additional provision retained for employees transferred within the Group	-	-
Add: Additional provision on account of terminal benefits done under arithmetic calculation	-	-
Liability/ (assets) recognised in the Consolidated Statement of profit and loss account	83.80	74.48

(ii) Remeasurement recognised in other comprehensive income

Expense recognised in the Statement of other comprehensive income

Particulars	As at March 31, 2025	As at March 31, 2024
Actuarial gain/(loss) on obligation for the period	123.10	26.10



(iii) Actuarial assumptions for Holding Company and its subsidiaries in India:

Particulars	As at	As at
	March 31, 2025	March 31, 2024
Discount rate	6.75%	7.25%
Salary escalation	5.00%	5.00%
Mortality	IALM 2012-14	IALM 2012-14
Weighted average duration of the projected benefit obligation	16	15.00

(iv) Sensitivity analysis

Particulars	As at		As at	
	March 31, 2025		March 31, 2024	
	Decrease	Increase	Decrease	Increase
Discount rate (100 basis point movement)	768.39	639.46	605.57	512.39
Salary escalation rate (100 basis point movement)	637.98	768.94	516.63	600.53
Withdrawal rate (100 basis point movement)	690.30	707.32	546.87	563.47

(v) Maturity profile of defined benefit obligation

Particulars	As at	As at
	March 31, 2025	March 31, 2024
Within next 12 months	73.05	82.51
Between 1 year to 5 years	84.90	91.15
Above 5 years	541.34	381.97



46 **A. Basis for segmentation**

The Group has only one business segment i.e. simulation products and technology, identified taking into account the similar nature of its products & services, risks & returns, organisational structure and internal reporting system, considered as primary segment. Therefore, being only business segment disclosure for primary segment has not been made. The secondary segment identified is based on operations in two geographical areas viz. Within India (being the reporting enterprise) and Outside India (being WOS(s) and JV). The secondary segment information is as under:

B. Geographical information

Particulars	For the year ended March 31, 2025	As at March 31, 2024
Revenue from customers		
Revenue generated within India	4,664.40	3,927.51
Revenue generated outside India	9,074.88	5,244.45
Total revenue	13,739.27	9,171.96

Particulars	As at March 31, 2025	As at March 31, 2024
Non current assets*		
Within India	1,591.55	2,161.28
Outside India	4.79	9.90
	1,596.34	2,171.18

*Non-current assets exclude loans, other financial assets, and deferred tax assets.

C. Information about major customers

No single customer contributed 10% or more to the Group's revenue for the Year ended March 31, 2025 and March 31, 2024 except as

Particulars	For the year ended March 31, 2025	As at March 31, 2024
No . of customers	1	1
Value	3,557.22	843.00

(This space is intentionally left blank)



47 Lease liabilities

47.1 The following is the movement in lease liabilities

Lease liabilities	As at March 31, 2025	As at March 31, 2024
As at beginning of the year	1,389.74	1,641.20
Additions	-	-
Deletions	-	-
Accretion of interest	122.90	149.46
Payments	(410.13)	(400.92)
As at end of the year	1,102.51	1,389.74
Current	265.42	287.24
Non current	837.08	1,102.51

47.2 Amount Recognised in Consolidated Statement of Profit and Loss

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation expense on right of use assets	328.43	328.43
Interest expense on lease liabilities	122.90	149.46
Expense relating to short term lease	21.44	16.82
Total amount recognised in statement of profit or loss	472.76	494.71

47.3 The following are the amount disclosed in the cash flow statements

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Cash outflow from leases	410.13	417.73
Cash outflow from leases	410.13	417.73

* Refer Note 42 for maturity profiles of lease liabilities.

(This space is intentionally left blank)



48 First time adoption

As stated in notes, this is the first year of Holding Company's financial statements prepared in accordance with Ind AS. For the year ended up to and including the year ended March 31, 2025, the Group has prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies [Accounts] Rules, 2014 [Indian GAAP].

The accounting policies set out in note 2 of material account policies have been applied in preparing these financial statements for the year ended March 31, 2025, including the comparative information for the year ended March 31, 2024 and April 01, 2023.

In preparing and in presenting the comparative information for the year ended March 31, 2024 and April 01, 2023, the Group has adjusted amounts reported previously in financial statements prepared in accordance with Indian GAAP.

This note explains the principal adjustments made by the Group in restating its financial statements prepared in accordance with Indian GAAP, and how the transition from Indian GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

Transition of Balance sheet as at March 31, 2024

Particulars	As per IGAAP March 31, 2024	Reclassifications	Remeasurement	As per Ind AS March 31, 2024
Assets				
Non-current assets				
Property, plant & equipments	493.96	(0.00)	-	493.96
Intangible assets	199.90	0.00	-	199.90
Right of use	-	-	(1,314.67)	1,314.67
Investment in Associates	-	-	(14.41)	14.41
Financial assets				
(i) Loan	-	(10.09)	-	10.09
(ii) Others financial assets	1,302.62	(731.50)	-	2,034.12
Deferred Tax Asset	150.67	-	(129.72)	280.39
Other non current assets	-	(138.15)	-	138.15
Total non current assets	2,147.15	(879.74)	(1,458.79)	4,485.68
Current assets				
Inventories	72.81	(0.00)	-	72.81
Financial assets		-		
(ii) Trade receivables	993.94	-	44.12	949.82
(iii) Cash and cash equivalents	2,633.84	15.54	-	2,618.30
(iv) Bank balances other than (iii) above	1,933.04	1,932.54	-	0.50
(v) Loans	11.15	8.07	-	3.08
(vi) Others financial assets	114.81	(1,214.91)	-	1,329.72
Income Tax Assets (net)	1,106.20	124.06	-	982.14
Other current assets	481.19	41.07	-	440.13
Total current assets	7,346.98	906.36	44.12	6,396.51
Total assets	9,494.13	26.62	(1,414.68)	10,882.19
Equity & liabilities				
Equity				
Equity share capital	153.00	-	-	153.00
Other equity	6,919.94	-	(8.49)	6,928.43
Total equity	7,072.94	-	(8.49)	7,081.43
Non current liabilities				
Financial liabilities				
(i) Lease liabilities	-	(1,102.51)	(1,102.51)	1,102.51
Provisions	496.91	(0.00)	-	496.91
Total non current liabilities	496.91	(1,102.51)	(1,102.51)	1,599.42
Current liabilities				
Financial liabilities				
(i) Borrowings	-	-	-	-
(ii) Lease liabilities	-	-	(287.24)	287.24
(iii) Trade payables	200.24	0.29	-	199.95
(iv) Other financial liabilities	426.15	17.27	-	408.88
Other current liabilities	1,125.51	(7.38)	-	1,132.89
Provisions	172.38	0.00	-	172.38
Total current liabilities	1,924.28	10.17	(287.24)	2,201.34
Total equity & liabilities	9,494.13	(1,092.33)	(1,398.24)	10,882.19



Transition of Statement of Profit and Loss for the year ended on March 31, 2024

Particulars	As per IGAAP March 31, 2024	Reclassifications	Remeasurement	As per Ind AS March 31, 2024
Revenue from operations	9,217.59	45.63		9,171.96
Other income	341.81	(75.56)		417.37
Total revenue	9,559.40	(29.94)	-	9,589.34
Cost of materials consumed	1,348.10	31.05		1,317.05
Operating Expenses	985.33	7.81		977.52
Changes in inventories of finished goods, work-in progress and traded goods	246.76	(0.00)		246.76
Employee benefit expenses	2,688.59	(833.94)	(19.55)	3,502.98
Finance cost	34.70		(128.01)	162.71
Depreciation and amortisation expenses	348.49		(328.43)	676.92
Other expense	3,114.80	1,224.17		1,890.63
Prior period adjustments (net)	41.16	35.90		5.26
Total expenses	8,807.93	464.98	(476.00)	8,779.85
Profit before tax	751.47	(494.91)	476.00	809.49
Share of Profit / (Loss) of Associates	-	-	(5.26)	5.26
Profit Before Exceptional Item and Tax	751.47	(494.91)	470.73	814.75
Tax expenses				
Current tax	367.75		0.00	367.75
Previous year tax adjustment	1.71		(0.00)	1.71
Deferred tax	(104.79)		5.86	(110.65)
	264.67	-	5.86	258.81
Profit after tax	486.80		(74.40)	561.20
Other comprehensive income for the year				
Items that will not be reclassified to profit or loss				
Re-measurement of defined benefit plans	-		19.55	(19.55)
Income tax relating to items that will not be reclassified to profit or loss	-		(8.94)	8.94
Items that will be reclassified to profit or loss	-		4.49	(4.49)
Income tax relating to items that will be reclassified to profit or loss	-		(0.82)	0.82
Total comprehensive loss for the year	-	-	14.28	(14.28)
Total comprehensive income for the year	486.80	-	(60.12)	546.92



Transition of Balance sheet as at April 01, 2023

Particulars	As per IGAAP April 01, 2023	Reclassifications	Remeasurement	As per Ind AS April 01, 2023
Assets				
Non current assets				
Property, plant & equipments	762.37	0.00	-	762.37
Other intangible assets	250.18	0.00	-	250.18
Right of use	-	-	(1,643.10)	1,643.10
Investment in Associates	-	-	(9.61)	9.61
Financial assets	-	-	-	-
(ii) Loans	-	-	-	-
(iii) Others Financial Assets	2,545.93	(0.00)	-	2,545.93
Deferred Tax Asset	45.88	-	(114.10)	159.98
Other non current assets	-	(138.56)	-	138.56
Total non current assets	3,604.36	(138.56)	(1,766.81)	5,509.73
Current assets				
Inventories	318.24	-	-	318.24
Financial assets	-	-	-	-
(i) Investments	-	-	-	-
(ii) Trade receivables	1,605.95	(2.19)	-	1,608.14
(iii) Cash and cash equivalents	902.19	9.71	-	892.48
(iv) Bank balances other than (iii) above	2,053.16	1,877.61	-	175.55
(v) Loans	3.07	-	-	3.07
(vi) Others financial assets	182.16	(1,814.47)	-	1,996.64
Income tax assets (net)	982.40	982.40	-	-
Other current assets	630.75	41.12	-	589.63
Total current assets	6,677.91	1,094.18	-	5,583.73
Total assets	10,282.27	955.62	(1,766.81)	11,093.46
Equity & liabilities				
Equity				
Equity share capital	153.00	-	-	153.00
Other equity	6,351.28	-	(30.23)	6,381.51
Total equity	6,504.28	-	(30.23)	6,534.51
Non current liabilities				
Financial liabilities	-	-	-	-
(i) Lease liabilities	-	-	(1,323.95)	1,323.95
Provisions	432.06	(0.00)	-	432.06
Total non current liabilities	432.06	(0.00)	(1,323.95)	1,756.01
Current liabilities				
Financial liabilities	-	-	-	-
(i) Borrowings	-	-	-	-
(ii) Lease liabilities	-	-	(317.25)	317.25
(iii) Trade payables	456.05	(0.22)	-	456.27
(iv) Other financial liabilities	286.05	2.46	-	283.59
Other current liabilities	2,452.77	0.00	-	2,452.77
Provisions	151.06	-	-	151.06
Current tax liability (net)	-	-	-	-
Total current liabilities	3,345.93	2.25	(317.25)	3,660.94
Total equity & liabilities	10,282.27	2.24	(1,671.43)	11,951.46



Reconciliation of equity

Particulars	As at March 31, 2024	As at April 01, 2023
Total equity under Indian GAAP	7,072.94	6,504.28
Adjustment Impact - gain / (loss)		
ECL Impact	(44.12)	(124.58)
Prior Period Income	-	42.07
Prior Period Expenses	-	(0.92)
Deferred tax impact on the aforesaid adjustments	129.72	114.10
ROU Assets Depreciation	(328.43)	-
Remeasurement of lease liability	251.46	-
Unwinding of security deposit	0.31	-
Others	-	(0.45)
Total Ind As adjustments	8.94	30.23
Total equity under Ind AS	7,081.43	6,534.51

A. Exemptions applied:

(i) **Mandatory exceptions**

(a) Estimates :-

On assessment of the estimates made under the Indian GAAP financial statements, the Group has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Indian GAAP are made by the Group for the relevant reporting dates reflecting conditions existing as at that date. Key estimates considered in preparation of financial statements that were not required under the Indian GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL
- Determination of the discounted value for financial instruments carried at amortised cost.
- Impairment of financial assets based on the expected credit loss model.

(b) Classification and measurement of financial assets:

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as at the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

(ii) **Optional Exceptions**

Ind AS - 101 allows first-time adopters certain optional exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following optional exemptions:

(a) Deemed cost for property, plant and equipment:

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statement as at the date of transition to Ind AS, measured as per Indian GAAP and used that as its deemed cost as at the date of transition after making necessary adjustment for decommissioning liabilities. Accordingly, the Group has elected to measure all of its property, plant and equipment at their Indian GAAP carrying value as at transition date April 01, 2023.

(b) Business combination

The Group has opted to apply Ind AS 103 business combination prospectively, Hence all past business combination (business combination that occurred before the date of transition to Ind As i.e. April 01, 2023) has not been restated.

(c) Deemed Cost of investment in subsidiaries

On transition, Ind AS 101 allows an entity to consider carrying values as deemed cost for investments held in subsidiaries, associates and joint ventures. Accordingly, the Group has elected to measure carrying values as per Indian GAAP as deemed cost for its investments held in subsidiary and associate and its joint venture.

The Group has elected to carry its investments in subsidiary and associate and its joint ventures at deemed cost being carrying amount under Indian GAAP on the transition date. The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk as at the date that financial instruments were initially recognized in order to compare it with the credit risk as at the transition date.



(iii) **Reconciliation between Indian GAAP and Ind AS**

A. Transition from Indian GAAP to Ind AS, balance sheet and statement of profit and loss accounts does not have any impact except the reclassification and remeasurement as required by the Ind AS stated below.

B. **Leases**

Under Indian GAAP, lessee classified a lease as an operating or a finance lease based on whether or not the lease transferred substantially all risk and rewards incident to the ownership of an asset. Operating lease were expensed in the statement of profit and loss. Under Ind AS 116, all arrangement that fall under the definition of lease except those for which short-term lease exemption or low value exemption is applied, the Group has recognised a right-of-use assets and a lease liability on the lease commencement date. Right-of-use assets is amortised over the lease term on a straight line basis and lease liability is measured at amortised cost at the present value of future lease payments.

C. **Financial assets measured at amortised cost**

Under Indian GAAP, the security deposits paid for lease rent are shown at the transaction value. Whereas under Ind AS, the same are initially discounted and subsequently recorded at amortized cost at the end of every financial reporting period/year. Accordingly, the difference between the transaction and discounted value of the security deposits paid is recognized as right-of-use assets and is amortized over the period of the lease term. Further, interest is accreted on the present value of the security deposits paid for lease rent.

D. **Deferred Tax Adjustments**

Under Indian GAAP, deferred taxes were recognized for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognized using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or through statement of profit and loss or other comprehensive income.

E. **Actuarial Gain & loss**

Under Indian GAAP, the actuarial gain/(loss) of defined benefit plans had been recognised in statement of profit and loss under employee benefits expense. Under Ind AS, the remeasurement gain/(loss) on net defined benefit plans is recognised in Other Comprehensive Income (net of tax).

F. **Loss allowance on Trade receivables**

Under the previous GAAP, the Group has created provision for impairment of receivables consisting specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on the Expected Credit Loss Model which has led to an increase in the amount of provision as on the date of transition.

(This space is intentionally left blank)



49 Other statutory Information

- i) The Group do not have any benami property, where any proceeding has been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii) The Group has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, 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 Group ("Ultimate Beneficiaries") or
 - (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries
- iii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall :
 - (a) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ("Ultimate Beneficiaries") or
 - (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- iv) The group does not currently have any sanctioned working capital limits in excess of ₹5 crores in aggregate from banks and/or financial institutions, secured against its current assets.'
- v) The Group do not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- vi) The Group has not been declared a willful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.
- vii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- viii) The Group has not traded or invested in Crypto currency or any other virtual currency during the financial year.
- ix) The Group had granted loans or advances in the nature of loans to the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.

Type of Borrower	Amount of loan or advance in the nature of loan outstanding as at March 31, 2025	Percentage to the total of loans & advances in the nature of loans as at March 31, 2025	Amount of loan or advance in the nature of loan outstanding as at March 31, 2024	Percentage to the total of loans & advances in the nature of loans as at March 31, 2024	Amount of loan or advance in the nature of loan outstanding as at April 1, 2023	Percentage to the total of loans & advances in the nature of loans as at April 1, 2023
Related Parties	150.00	89.77%	-	0%	-	0%

- x) The Group has with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of layers) Rules, 2017.
- xi) The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- xii) The provisions of the Companies Act, 2013 and rules made thereunder requires that the Group uses only such accounting software for maintaining its books of account which has a feature of recording audit trail for each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled or tampered and audit trail has been preserved with effect from April 1, 2023. The Group has taken all necessary steps to be compliant with the above requirement of audit trail functionality since it's effective date.
- xiii) The Group do not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.



50 Disclosure under Section 115BAA in The Income-tax Act, 1961

In view of insertion of a new section – Section 115BAA in The Income-tax Act, 1961, as introduced by the Government of India, vide Taxation (Amendment) Ordinance, 2019 dated 20th of September 2019, domestic companies have been given option to pay tax at reduced rate of 22%, effective from financial year 2019-20 (assessment year 2020-21) & onwards, subject to their adhering to certain conditions specified therein.

The management of the Holding Company has decided not to opt for the new tax regime, under section 115BAA of the Income-tax Act, 1961, and consequently impact of new tax rate is not considered in these consolidated financial statements. However, the Holding Company have option to opt for the scheme in future.

51 These Consolidated financial statement were approved by BOD in its meeting held on 9th May 2025.

52 Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

Material accounting policies

1

See accompanying notes form an integral part of these consolidated financial statements

As per our report of even date

For and on behalf of
G.M. Kapadia & Co.
Chartered Accountants
Firm Regn. No. 104767W

Abhishek Singh
Partner
Membership No.: 407549

Place: New Delhi
Date: 10th May 2025

Ashok Atturi
Director
DIN No: 00056050

Place: New Delhi
Date: 10th May 2025

For and on behalf of the Board
Applied Research International Private Limited

Sanjay Kumar
Director
DIN No: 10977894

