

# 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 ARI Labs Private Limited

Report on Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of **ARI Labs Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2025 and the Statement of Profit and Loss (including Other Comprehensive Income) and Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (together referred to as the "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information 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 state of affairs of the Company as at March 31, 2025 and its loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the 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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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 Financial Statements and Our Report Thereon**

The 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 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 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements**

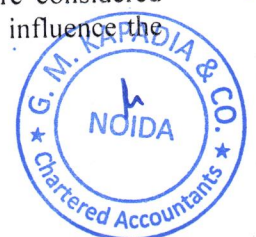
The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity,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

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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





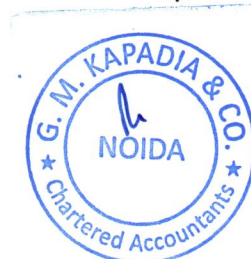
As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also;

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. However, we are not responsible for expressing our opinion on whether the 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 financial statements.

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

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



### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid 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 the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors 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 reporting on the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, the Ministry of Corporate Affairs vide notification no. G.S.R. 583(E) dated June 13, 2017 has exempted certain private companies from application of section 143(3)(i) of the Act and since the Company qualifies for such exemption, reporting under section 143(3)(i) of the Act is not applicable
  - g. Since the 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 Company did not have any pending litigations to disclose the impact of the same on its financial position in its financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;





- iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company;
- iv. (a) The Management has 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 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 Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (b) The Management has represented that, to the best of its knowledge and belief, no fund have been received by the Company from any persons or entities including foreign entities ("Funding parties") with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever 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
- (c) 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 management representations under sub-clause (a) and (b) above, contain any material misstatement.
- v. The Company has neither declared nor paid any dividend during the year; and
- vi. Based on our examination which include test check, the 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 company as per the statutory requirements for record retention.



Place: New Delhi  
Date: 10<sup>th</sup> May 2025

**For G. M. Kapadia & Co.**  
Chartered Accountants  
Firm's Registration No. 104767W

**Abhishek Singh**  
Partner

Membership No. 407549  
UDIN:25407549BMOV5561

**Annexure A to the Independent Auditor's Report**

Re: ARI Labs Private Limited

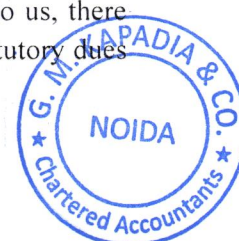
The Annexure referred to in paragraph 1 under "Other Legal and Regulatory Requirements" in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2025, we report that:

- (i) In respect of its property, plant and equipment;
  - a. (A). The Company has maintained proper records to show full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use-assets;  
  
(B) The Company did not have any intangible assets, therefore reporting under the clause 3(i)(a)(B) of the Order, regarding maintenance of records of intangible assets not applicable to the Company;
  - b. According to the information and explanations given to us and based on our verification of records, the property, plant and equipment are physically verified as per the programme of verification laid out by the management of the Company, which in our opinion were at reasonable intervals, having regard to size of the Company and no material discrepancies were noticed on such verification;
  - c. According to the information and explanations given to us and on the basis of our examination of the records, the Company does not own any immovable properties and where the company is the lessee, the lease agreements are duly executed in favour of the Company, accordingly reporting under the clause 3(i) (c) of the Order is not applicable to the Company;
  - d. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not revalued its property, plant and equipment or intangible assets or right-of-use assets during the year. Accordingly reporting under clause 3(i) (d) of the Order is not applicable to the Company;
  - e. According to the information and explanations given to us and on the basis of our examination of the records there are no proceedings initiated or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder;

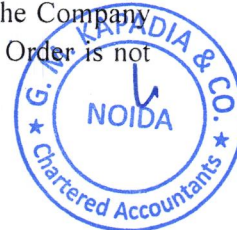




- (ii) In respect of Inventories;
- a. The Company did not have any inventories of finished goods, stores, spare parts and raw materials, therefore reporting under the clause 3(ii)(a) of the Order is not applicable to the Company;
  - b. During the year under audit, the Company has not been sanctioned any working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company;
- iii During the year under audit, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, therefore reporting under the clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company;
- iv Based on the audit procedures applied by us, during the year under audit, the Company has not granted loans, guarantee and security or made investments which require compliance in terms of the provisions contained in the section 185 or section 186 of the Act. The Management has, based on legal opinion, represented that overdue book debts are not in the nature of loan and hence do not fall within the scope of section 185 of the Act. In such circumstances, reporting under the clause 3(iv) of the Order is not applicable to the Company;
- v In our opinion and according to the information and explanation given to us, the Company has not accepted deposits from the public and therefore, the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable to the Company. We have been informed by the management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this regard;
- vi The Central Government has not specified the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, for services rendered by the Company;
- vii (a) The Company has generally been regular in depositing with appropriate authorities undisputed statutory dues such as income tax, goods and services tax, and other applicable statutory dues. According to information and explanations given to us, no undisputed statutory dues payable were in arrears as at March 31, 2025, for a period of more than six months from the date they became payable;
- (b) In our opinion and according to the information and explanations given to us, there are no dues payable by the Company on account of any dispute in case of statutory dues referred to in sub-clause (a) above as on March 31, 2025.



- viii According to the information and explanation provided to us, there are no transactions that are not recorded in the books of accounts which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, reporting under clause 3(viii) of the Order is not applicable to the Company;
- ix (a). Based on our audit procedure and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings including interest thereon, if any, to any lender;
- (b). According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or any other lender;
- (c). The Company has not taken any term loan. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company;
- (d). According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements, the Company has not raised any funds on short-term basis. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company;
- (e). According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;
- (f). The Company does not hold any investment during the year, accordingly the reporting under the clause 3(ix)(f) of the Order is not applicable to the Company;
- x (a). The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company;
- (b). The Company did not have made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year, therefore reporting under clause 3(x)(b) of the Order is not applicable to the Company;
- xi (a). To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year;
- (b). No report under sub-section (12) of section 143 of the Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report;
- (c). As represented to us by the management, the whistle blower policy is not mandated for the Company under the Act, therefore reporting under the clause 3(xi)(c) of the Order is not applicable to the Company;
- xii In our opinion and according to information and explanation given to us, the Company is not a Nidhi Company. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company;

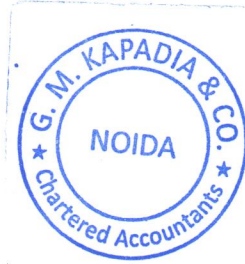




- xiii In our opinion, transactions with the related parties are in compliance with section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards;
- xiv The company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act;
- xv In our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Act are not applicable to the Company;
- xvi. (a). The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934;
- (b). In our opinion and on the basis of our audit procedure, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;
- (c). In our opinion, according to the information and explanations provided to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India;
- (d). In our opinion, according to the information and explanations provided to us, the Group does not have any CIC as part of the Group as per definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016;
- xvii The company has incurred cash losses of Rs 25 Lakhs during the current financial year and has not incurred any cash losses in the immediately preceding financial year;
- xviii There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company;
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due;



- xx. In our opinion and based on our examination, the company is not required to comply with section 135(5) of the Act.



Place: New Delhi  
Date: 10<sup>th</sup> May 2025

**For G. M. Kapadia & Co.**  
Chartered Accountants  
Firm's Registration No. 104767W

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

**Abhishek Singh**  
Partner  
Membership No. 407549  
UDIN : 25407549BMOVW5561



ARI Labs Private Limited  
CIN: U72200DL1998PTC097465  
Balance Sheet as at March 31, 2025  
(Amounts are in INR Lakhs unless otherwise stated)

Particulars	Note No	As at March 31, 2025	As at March 31, 2024	As at April 1, 2023
<b>A. Assets</b>				
(1) <b>Non current assets</b>				
(a) Property, plant and equipment	2	3.27	4.04	4.18
(b) Financial assets				
(i) Other financial assets	3	402.74	1.49	1.49
(c) Deferred tax assets	4	3.97	2.50	1.88
<b>Total non-current assets</b>		<b>409.98</b>	<b>8.03</b>	<b>7.55</b>
(2) <b>Current assets</b>				
(a) Financial assets				
(i) Trade receivables	5	1.80	1.83	2.54
(ii) Cash and cash equivalents	6	58.56	49.00	21.76
(iii) Bank balances other than (ii) above	7	22.31	21.03	20.05
(iv) Others financial assets	8	11.00	1.12	0.83
(b) Other current assets	9	6.61	5.49	6.21
<b>Total current assets</b>		<b>100.28</b>	<b>78.47</b>	<b>51.39</b>
<b>Total assets (1+2)</b>		<b>510.26</b>	<b>86.50</b>	<b>58.94</b>
<b>B. Equity and liabilities</b>				
(1) <b>Equity</b>				
(a) Equity share capital	10	3.51	3.51	3.51
(b) Other equity	11	28.63	38.78	(21.50)
<b>Total equity</b>		<b>32.14</b>	<b>42.29</b>	<b>(17.99)</b>
(2) <b>Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	12	152.23	-	73.00
(ii) Trade payables	13			
total outstanding dues of micro enterprises and small enterprises		-	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises		4.81	2.66	3.64
(iii) Other financial liabilities	14	2.73	-	-
(b) Other current liabilities	15	318.35	38.95	0.29
(c) Current tax liabilities (net)	16	-	2.60	-
<b>Total current liabilities</b>		<b>478.12</b>	<b>44.21</b>	<b>76.93</b>
<b>Total liabilities (2+3)</b>		<b>478.12</b>	<b>44.21</b>	<b>76.93</b>
<b>Total equity and liabilities (1+2+3)</b>		<b>510.26</b>	<b>86.50</b>	<b>58.94</b>

Material Accounting Policies

1

See accompanying notes that form an integral part of these standalone 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  
ARI Labs Private Limited

Ashok Atluri  
Director

DIN No: 00056050

Place: New Delhi  
Date: 10th May 2025

Sanjay Kumar

Director  
DIN No: 10977894



ARI Labs Private Limited  
CIN: U72200DL1998PTC097465  
Statement of Profit and Loss  
(Amounts are in INR Lakhs unless otherwise stated)

Particulars	Note No	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Income:</b>			
Revenue from operations	17	44.34	94.08
Other income	18	17.64	6.85
<b>Total income</b>		<b>61.98</b>	<b>100.93</b>
<b>Expenses:</b>			
Operating Expenses	19	20.22	16.39
Depreciation and amortization expense	20	2.11	1.80
Finance costs	57.005	28.78	0.05
Other expense	58.005	22.49	1.88
<b>Total expense</b>		<b>73.60</b>	<b>20.12</b>
<b>Profit/(Loss) before tax</b>		<b>(11.62)</b>	<b>80.81</b>
<b>Tax expense:</b>			
(1) Current tax expense		-	20.90
(2) Tax relating to earlier years		-	0.25
(3) Deferred tax (credit)/charge		(1.47)	(0.62)
<b>Total tax expense</b>		<b>(1.47)</b>	<b>20.53</b>
<b>Profit/(Loss) for the year</b>		<b>(10.15)</b>	<b>60.28</b>
<b>Other comprehensive income /(loss)</b>			
(i) <b>Items that will not be reclassified to profit or loss</b>			
(i) Re-measurement of defined benefit plans gain/ (loss)		-	-
- Income tax relating to items that will not be reclassified subsequently to profit or loss		-	-
(ii) <b>Items that will be reclassified to profit or loss</b>			
(i) Exchange difference on translating the financial statement of a foreign Operation		-	-
Income tax relating to items that will be reclassified to profit or loss		-	-
(ii) Equity Instruments through Other Comprehensive income		-	-
Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Other comprehensive income for the year (net of tax)</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(10.15)</b>	<b>60.28</b>
<b>Earnings per equity share (Face value of Rs. 10/- per share):</b>			
Basic (Rs)	59.005	(28.91)	171.73
Diluted (Rs)	59.005	(28.91)	171.73

Material Accounting Policies

1

See accompanying notes that form an integral part of these standalone 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  
ARI Labs Private Limited

Ashok Atluri  
Director  
DIN No: 00056050

Sanjay Kumar  
Director  
DIN No: 10977894

Place: New Delhi  
Date: 10th May 2025





ARI Labs Private Limited  
CIN: U72200DL1998PTC097465  
Statement of Cash Flow  
(Amounts are in INR Lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>A. CASH FLOW FROM THE OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	(11.62)	80.81
Adjustments for:		
Depreciation and amortization expense	2.11	1.80
Finance costs	28.78	0.05
Interest income	(6.40)	(1.41)
Liabilities / provisions no longer required written back	(11.24)	-
Loss on sale of property, plant & equipment	-	(5.44)
<b>Operating profit before working capital changes</b>	<b>1.64</b>	<b>75.81</b>
<b>Movement in working capital</b>		
(Increase)/decrease in trade receivables	(0.02)	0.71
(Increase)/decrease in other financial assets	(6.63)	-
(Increase)/decrease other current assets	(1.11)	0.72
Increase/(decrease) in trade payables	2.15	(0.98)
Increase/(decrease) in other current liabilities	290.65	38.66
Increase/(decrease) in other financial liabilities	2.73	-
Increase/(decrease) in Current Tax Liabilities	(2.59)	2.60
<b>Cash flow (used in)/generated from operations</b>	<b>286.81</b>	<b>117.52</b>
Less: Income tax (paid) (net of refund)	-	(21.15)
<b>Net cash (used in)/generated from operating activities</b>	<b>286.81</b>	<b>96.37</b>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Property, Plant and Equipment	(1.34)	(4.31)
Sale of Property, Plant and Equipment	-	8.09
Interest received	2.17	1.12
Investment in Fixed Deposit	(401.54)	(0.98)
<b>Net cash (used in)/generated from investing activities</b>	<b>(400.70)</b>	<b>3.92</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance cost paid	(28.78)	(0.05)
Loan Received/Repaid	152.23	(73.00)
<b>Net cash generated from/(used in) financing activities</b>	<b>123.45</b>	<b>(73.05)</b>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENT</b>	<b>9.56</b>	<b>27.24</b>
Cash and cash equivalents at the beginning of the year	49.00	21.76
<b>Cash and cash equivalents at the end of the year</b>	<b>58.57</b>	<b>48.99</b>
<b>Cash and Cash Equivalent includes:</b>		
Cash on hand	0.02	0.02
Current account	58.54	48.98
	<b>58.56</b>	<b>49.00</b>

**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** 1

See accompanying notes that form an integral part of these standalone 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



For and on behalf of the Board of Directors  
ARI Labs Private Limited

Ashok Atluri  
Director  
DIN No: 00056050

Sanjay Kumar  
Director  
DIN No: 10977894

Place: New Delhi

10 MAY 2025



ARI Labs Private Limited

CIN: U72200DL1998PTC097465

Statement of Changes in Equity for the year ended March 31, 2025

(Amounts are in INR Lakhs unless otherwise stated)

A. Equity share capital	No of shares	Amount
As at April 1, 2023	50,000	3.51
Changes in equity shares capital during the year	-	-
As at March 31, 2024	50,000	3.51
Changes in equity shares capital during the year	-	-
As at March 31, 2025	50,000	3.51

**B. Other equity**

Particulars	Reserves & Surplus	Other Comprehensive Income	Total
	Retained earnings		
Balance as at April 1, 2023	(21.50)	-	(21.50)
Addition during the year:			
Add/(Less): Profit/(Loss) for the year	60.28	-	60.28
Balance as at March 31, 2024	38.78	-	38.78
Addition during the year:			
Add/(Less): Profit/(Loss) for the year	(10.15)	-	(10.15)
Balance as at March 31, 2025	28.63	-	28.63

Material Accounting Policies

1

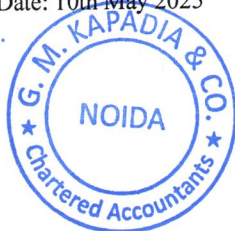
See accompanying notes that form an integral part of these standalone financial statements

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

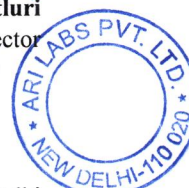


For and on behalf of the Board of Directors  
ARI Labs Private Limited

Ashok Atluri  
Director  
DIN No: 00056050

Sanjay Kumar  
Director  
DIN No: 10977894

Place: New Delhi  
Date: 10th May 2025





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## **BACKGROUND AND CORPORATE INFORMATION**

The 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.

The Company is principally engaged in works contract, maintenance or repair services business.

### **1. MATERIAL ACCOUNTING POLICIES**

#### **A. BASIS OF PREPARATION AND PRESENTATION**

These financial statements of the Company 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 and other relevant provisions of the Act.

For all periods up to and including the year ended 31st March, 2024, the Company prepared its 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 Company 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 Company has prepared in accordance with Ind AS. Reconciliations and descriptions of the effect of the transition has been summarised in Note no. 31.

These 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. Functional and presentation currency**

These Financial Statements are presented in Indian Rupees (INR), which is also the 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 Company.

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



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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data 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 Company 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 Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

#### C. Revenue from contracts with customers

Revenue from contracts with customers is recognized, when the Company satisfies a performance obligation by transferring a promised good or service to its customers at an amount that reflects the consideration to which the company 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 company 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 company 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 company 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

Company 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





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because the equipment and AMC services are both sold on a standalone basis and are distinct within the context of the contract. Accordingly, the company allocates the transaction price based on the relative standalone selling prices of the products and AMC services.

The company recognises the revenue from rendering AMC services over time because the customer simultaneously receives and consumes the benefits provided to them. The company 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 company 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 company 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 G below.

**D. 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.

#### **E. Foreign currency transactions and translation**

Transactions in foreign currencies are initially recorded by the company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the company 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 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., 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 Company'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 Company 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 Company determines the transaction date for each payment or receipt of advance consideration.

#### **F. 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 Company 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;





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- 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 company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

**G. 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 company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the company has applied the practical expedient, the company 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 company has applied the practical expedient are measured at the transaction price determined under Ind AS 115.

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 company'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 company 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 company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The company'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





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recognised in OCI is reclassified from the equity to profit or loss.

There are no company'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 company 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 AS103 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 company 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 company 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 company 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 company 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 company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the company 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.

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

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

**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 company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the 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 company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The company 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 company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

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

**H. Property, plant and equipment**





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**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 Company 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 company 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. 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.

Leasehold Improvements are depreciated over its lease terms.

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 company assesses at each balance sheet date, whether there is objective evidence that an asset or a company 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.

**I. Intangible Assets**

**ii) 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 Company had 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.

**iii) 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 Company 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 Company 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.

#### **J. 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.

#### **K. 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.

#### **L. Impairment of assets**

##### **i. Impairment of financial instruments**

The company recognises loss allowances for expected credit losses on financial assets measured at amortised cost and trade receivables. At each reporting date, the company 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 Company 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 company 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 company in accordance with the contract and the cash flows that the company 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 company 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 company's procedures for recovery of amounts due.

**ii. Impairment of non-financial assets**

The company'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 company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company'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 company 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 company 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 (or the asset).

The company'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 company 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.

#### **M. 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 up to 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 company 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 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 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 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 company 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 company 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 company'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 Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. The 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.

**N. Leases**

The company 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.

**Company as a Lessor**

Leases for which the company 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.

**Company as a Lessee**

On transition to Ind AS, the Company 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 Company 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.

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

The company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the company is reasonably certain to exercise that option; and periods covered



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

#### **Right of use asset**

The company 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 company 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 company 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 company 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 company recognises any remaining amount of the re-measurement in statement of profit and loss.

#### **Short-term leases and leases of low-value assets**

The company 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.

### **O. 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





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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 company 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 company 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 company 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 Company 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 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 company will pay normal income tax during the specified period. The



company 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 company will pay normal income tax during the specified period.

**P. Provision, contingent liabilities and contingent assets**

**Provision**

A provision is recognised if, as a result of a past event, the company 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**

The 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.

**Q. Government grants**

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

- a. The company 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.





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**R. 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 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.

**S. 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 company are segregated. The Company 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.

**T. 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.

**U. 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 company 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.

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.

**V. 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.

#### **W. Errors and estimates**

The Company 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.

#### **X. Use of estimates and judgements**

In preparing these 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 Company 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 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 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:**





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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 Company 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 Company considers the interest rates of government bonds of maturity approximating the terms of the related plan liability.

**v) Inventories:**

The Management of the Company 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 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:**

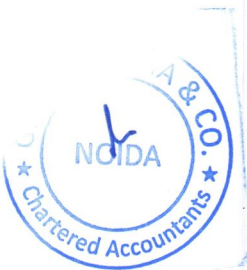
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, 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 company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the 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 Company.

**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.

**Y. 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.





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**Note 2:- Property, plant and equipment**

Particulars	Computers	Total
<b>Gross carrying amount:</b>		
<b>Balance as at April 1, 2023</b>	<b>19.72</b>	<b>19.72</b>
Add: Additions during the year	4.31	4.31
Less: Disposals during the year	19.72	19.72
<b>Balance as at March 31, 2024</b>	<b>4.31</b>	<b>4.31</b>
Add: Additions during the year	1.34	1.34
Less: Disposals during the year	-	-
<b>Balance as at March 31, 2025</b>	<b>5.65</b>	<b>5.65</b>
<b>Accumulated depreciation</b>		-
<b>Balance as at April 1, 2023</b>	<b>15.55</b>	<b>15.55</b>
Add: Depreciation for the year	1.80	1.80
Less: Disposals during the year	17.07	17.07
<b>Balance as at March 31, 2024</b>	<b>0.27</b>	<b>0.27</b>
Add: Depreciation for the year	2.11	2.11
Less: Disposals during the year	-	-
<b>Balance as at March 31, 2025</b>	<b>2.38</b>	<b>2.38</b>
<b>Carrying amounts (net)</b>		-
<b>Balance as at April 1, 2023</b>	<b>4.17</b>	<b>4.17</b>
<b>Balance as at March 31, 2024</b>	<b>4.04</b>	<b>4.04</b>
<b>Balance as at March 31, 2025</b>	<b>3.27</b>	<b>3.27</b>

Note: Ind-AS 101 Exemption: The company has availed exemption under Ind AS 101, whereas carrying value of tangible assets has been carried forward at the amount as determined under the Indian GAAP.

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Particulars	As at March 31, 2025	As at March 31, 2024	As at April 1, 2023
<b>3 Other financial assets</b>			
Unsecured, considered good, unless otherwise stated			
Deposits with remaining maturity of more than 12 months*	401.75	1.49	1.49
Interest receivable on fixed deposits	0.98	-	-
Insurance assets	-	-	-
<b>Total</b>	<b>402.74</b>	<b>1.49</b>	<b>1.49</b>
<b>5 Financial assets : current</b>			
Trade receivables*			
(Unsecured, considered good, unless stated otherwise)			
Trade receivable - billed	1.80	1.83	2.54
	<b>1.80</b>	<b>1.83</b>	<b>2.54</b>
Less:-Provision for ECL	-	-	-
<b>Total</b>	<b>1.80</b>	<b>1.83</b>	<b>2.54</b>
* Refer Note 26 for ageing of trade receivables.			
<b>6 Cash and cash equivalents</b>			
Balances with banks			
in current accounts	58.54	48.98	21.74
Cash on hand	0.02	0.02	0.02
<b>Total</b>	<b>58.56</b>	<b>49.00</b>	<b>21.76</b>
<b>7 Bank balance other than above</b>			
Deposits with original maturity of more than three months but less than twelve months	22.31	21.03	20.05
- Bank Deposits with original maturity of more than 12 months*	401.75	-	-
Less : Amount Disclosed under the head Other Non Current Assets	(401.75)	-	-
<b>Total</b>	<b>22.31</b>	<b>21.03</b>	<b>20.05</b>
<b>8 Other financial assets</b>			
Unsecured, considered good, unless otherwise stated			
Interest receivable on fixed deposits	4.37	1.12	0.83
Income Tax Refund Receivable	6.64	-	-
<b>Total</b>	<b>11.0050</b>	<b>1.12</b>	<b>0.83</b>
<b>9 Other current assets</b>			
Unsecured, considered good, unless otherwise stated			
Prepaid expenses	0.29	-	-
Recoverable from balances with government authorities	6.31	5.49	6.21
Other receivables	-	-	-
<b>Total</b>	<b>6.61</b>	<b>5.49</b>	<b>6.21</b>

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ARI Labs Private Limited  
CIN: U72200DL1998PTC097465  
Notes to the Financial Statement  
(Amounts are in INR Lakhs unless otherwise stated)

**Note : 4 Deferred tax assets/(liabilities)**

**a. Amount recognised in statement of profit and loss**

	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Current income tax</b>		
Current year	-	20.90
Adjustment in respect of current income tax for earlier year	-	0.25
<b>Total</b>	-	<b>21.15</b>
Deferred tax	(1.47)	(0.62)
<b>Total</b>	<b>(1.47)</b>	<b>20.53</b>

**b. Reconciliation of tax expense**

	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Reconciliation of effective tax rate</b>		
Profit before tax	(11.62)	80.81
Enacted income tax rate*	26.00%	26.00%
Tax amount	-	21.01
<b>Add/(deduct) impact of:</b>		
Expenses not allowable in income tax	(0.20)	
Expenses allowable in income tax	0.05	(0.62)
Change in tax rate	0.05	(0.11)
Effect of carried forward losses	(1.38)	-
Tax relating to earlier years	-	0.25
Permanent differences		
<b>Tax Expense</b>	<b>(1.47)</b>	<b>20.53</b>

**Movement in deferred tax balances**

	For the year ended March 31, 2024	Recognised in profit and loss	Recognised in OCI	As at March 31, 2025
<b>Deferred tax liabilities/(assets):</b>				
Brought forward loss	(2.10)	(1.24)	-	(3.34)
Property, Plant and Equipment	(0.40)	(0.23)	-	(0.63)
<b>Deferred tax liabilities/(assets) (net)</b>	<b>(2.50)</b>	<b>(1.47)</b>	<b>-</b>	<b>(3.97)</b>

	As at April 1, 2023	Recognised in profit and loss	Recognised in OCI	As at March 31, 2024
<b>Deferred tax liabilities/(assets):</b>				
Brought forward loss	(2.10)	0.00	-	(2.10)
Property, Plant and Equipment	0.21	(0.62)	-	(0.40)
<b>Deferred tax liabilities/(assets) (net)</b>	<b>(1.88)</b>	<b>(0.62)</b>	<b>-</b>	<b>(2.50)</b>



Particulars	As at March 31, 2025	As at March 31, 2024	As at April 1, 2023
<b>10 Equity share capital</b>			
Authorized share capital*			
50000 (March 31, 2024: 50000 and April 1, 2023: 50000) equity shares of Rs. 10 each fully paid up **	5.00	5.00	5.00
	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>
Issued, subscribed and fully paid up			
35100 (March 31, 2024: 35100 and April 1, 2023: 35100) equity shares of Rs. 10 each fully paid up **	3.51	3.51	3.51
	<b>3.51</b>	<b>3.51</b>	<b>3.51</b>

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

- i) The Company has only one class of shares referred to as equity shares having a face value of Rs 10 Each holder of equity shares is entitled to one vote per share and dividend as and when declared by the Company.
- ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company in proportion to the number of equity shares held by shareholders, after the distribution of all preferential amounts.

**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	35,100.00	3.51
Movement during the year	-	-
As at March 31, 2024	35,100.00	3.51
Movement during the year	-	-
As at March 31, 2025	35,100.00	3.51

**(ii) Shares held by holding/ultimate holding company and/or their subsidiaries/associates**

Out of equity issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as below:

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	100.00%	35,100	100.00%	35,100	100.00%	35,100

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

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	100.00%	35,100	0.00%	-	0.00%	-
Shravan Rewari	0.00%	-	99.93%	35,074	99.93%	35,074

**(iv) 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		
<b>Promoter</b>								
Zen Technologies Limited	100.00%	35,100	0.00%	-	0.00%	-	100.00%	0.00%
Shravan Rewari	0.00%	-	99.93%	35,074	99.93%	35,074	-99.93%	0.00%
Amarjeet Rewari	0.00%	-	0.07%	26	0.07%	26	-0.07%	0.00%

\*\*During the year ended 31st March,2025, Zen Technologies Limited acquired 100% of the equity share capital of the Company ARI Labs Private Limited through share purchase from promoters. Pursuant to the acquisition, control over the Company has been transferred to Zen Technologies Limited with effect from 14th February, 2025.

**10.2 Aggregate number of bonus shares issued and shares issued for consideration other than cash since incorporation:**

The Company has not issued any bonus shares neither there has been any buy back of shares during five years immediately preceeding March 31, 2025.

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Particulars	As at March 31, 2025	As at March 31, 2024	As at April 1, 2023
11 Other equity			
Retained earning			
Opening balance	38.78	(21.50)	(9.23)
Add/(Less): Profit for the year	(10.15)	60.28	(12.27)
Closing balance	<u>28.63</u>	<u>38.78</u>	<u>(21.50)</u>
Total other equity	<u>28.63</u>	<u>38.78</u>	<u>(21.50)</u>

**Notes to reserves :**

**General Reserve**

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

**Other comprehensive income :** Other comprehensive income consists of remeasurement gains/ (loss) on defined benefit plans.



Particulars	As at March 31, 2025	As at March 31, 2024	As at April 1, 2023
<b>Financial liabilities: current</b>			
12 <b>Short term borrowings</b>			
<b>Unsecured</b>			
<b>Loan repayable on demand</b>			
Loan from related parties	152.23		73.00
Loan from others	-	-	-
Current maturities of non-current borrowings			
<b>Total Unsecured</b>	<b>152.23</b>	<b>-</b>	<b>73.00</b>
<b>Total</b>	<b>152.23</b>	<b>-</b>	<b>73.00</b>
Unsecured Loan from Applied Research International Private Limited which is repayable on demand including interest @ 9.85% per annum.			
13 <b>Trade payables*</b>			
total outstanding dues of micro and small enterprises	-	-	-
total outstanding dues of creditors other than micro and small enterprises	4.81	2.66	3.64
total outstanding dues to related parties	-	-	-
<b>Total</b>	<b>4.81</b>	<b>2.66</b>	<b>3.64</b>
* Refer note 25 for ageing of trade payables			
14 <b>Other financial liabilities</b>			
Other liabilities	2.73	-	-
<b>Total</b>	<b>2.73</b>	<b>-</b>	<b>-</b>
15 <b>Other current liabilities</b>			
Contract liabilities (advance from customer)	317.73	38.23	-
Statutory dues	0.62	0.72	0.17
Other Expenses	-	-	0.12
<b>Total</b>	<b>318.35</b>	<b>38.95</b>	<b>0.29</b>
16 <b>Current tax liabilities (net)</b>			
Provision for income tax {net of advance income tax and tax deducted at source}	-	2.60	-
<b>Total</b>	<b>-</b>	<b>2.60</b>	<b>-</b>

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Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>17 Revenue from operations</b>		
<b><u>Revenue from contracts with customers</u></b>		
<b>Disaggregated revenue information</b>		
Set out below is the disaggregation of the Company's revenue from contracts with customers		
(a) <b>Revenue from sale of Software License service</b>		
Software License service	38.23	87.38
(b) <b>Revenue from rendering of services</b>		
Management Consultancy Services Fees	6.11	6.70
<b>Total revenue from operations</b>	<b>44.34</b>	<b>94.08</b>

**Disclosure under Ind AS 115, revenue from contracts with customers**

- A) The Company undertakes works contract, maintenance or repair services business. There is no impact on the Company's revenue on applying Ind AS 115 from the contracts with customers.

**B) Reconciliation of contract assets and liabilities**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(i) <b>Contract assets and liabilities as at beginning of the year*</b>		
Opening trade receivables	1.83	2.54
(ii) <b>Revenue recognized during the year</b>	44.34	94.08
(iii) <b>Contract assets and liabilities as at end of the year*</b>		
Closing trade receivables	1.80	1.83

\*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. Invoices are raised on the customers based on the agreed contractual terms and are collected within 30-60 days from the date of invoicing.

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

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Particulars		For the year ended March 31, 2025	For the year ended March 31, 2024
18	Other income		
	<u>Interest income on</u>		
	Fixed deposits with bank	6.40	1.41
	<u>Other non-operating income</u>		
	Liabilities / provisions no longer required written back	11.24	-
	Other non-operating income	-	5.44
	<b>Total</b>	<b>17.64</b>	<b>6.85</b>
19	Operating Expenses		
	Repairs and maintenance-Equipment and Computers	0.20	-
	Software Expenses	0.16	-
	STPI Fees	1.10	-
	Technical and professional fees	18.76	16.39
	<b>Total</b>	<b>20.22</b>	<b>16.39</b>
20	Depreciation and amortisation expenses		
	Depreciation on property, plant and equipment	2.11	1.80
	<b>Total</b>	<b>2.11</b>	<b>1.80</b>
21	Finance cost		
	Interest on:		
	Others	2.46	-
	Other borrowing cost:		
	Bank and finance charges	-	0.05
	Bank Guarantee Charges	26.31	-
	<b>Total</b>	<b>28.78</b>	<b>0.05</b>
22	Other expenses		
	ROC Expenses	0.02	-
	Payment to auditor	2.49	0.29
	Office Expense	0.39	-
	Internet Expense	0.05	-
	Rate & Taxes	0.29	-
	Loss on sale of plant	-	1.40
	Legal & Other Professional Charges	19.24	-
	Miscellaneous expenses	-	0.19
	<b>Total</b>	<b>22.49</b>	<b>1.88</b>
22.1	Payment to auditors (excluding applicable taxes)		
	Audit fees	2.49	0.29
		<b>2.49</b>	<b>0.29</b>





23 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	(10.15)	60.28
Number of equity share at the beginning of the year	35,100	35,100
Number of equity share at the end of the year	<b>35,100</b>	<b>35,100</b>
Weighted average number of equity shares outstanding during the year- Basic	35,100	35,100
Weighted average number of equity shares outstanding during the year- Diluted	35,100	35,100
Face value of equity shares (Rs. per share)	10	10
Earning per share (Basic) (Rs.)*	(28.91)	171.73
Earning per share (Diluted) (Rs.)*	(28.91)	171.73

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60 Details of dues to micro, small and medium enterprises as defined under MSMED Act, 2006.

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 1, 2023
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil	Nil
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil	Nil
(iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	Nil	Nil	Nil
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil	Nil
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year, and	Nil	Nil	Nil
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil	Nil

Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditor.

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25 Trade payable ageing

(i) Trade payable 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 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	-	4.81	-	-	-	4.81
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-	-
<b>Total</b>	-	4.81	-	-	-	4.81

(ii) Trade payable 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 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	-	2.66	-	-	-	2.66
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-	-
<b>Total</b>	-	2.66	-	-	-	2.66

(iii) Trade payable 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 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	2.27	1.10	0.27	-	3.64
(ii) Others	-	-	-	-	-	-
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-	-
<b>Total</b>	-	2.27	1.10	0.27	-	3.64

26 Trade receivable ageing

(i) 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 year-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables - considered good	-	1.80	-	0.02	-	-	1.83
(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	-	-	-	-	-	-	-
<b>Total</b>	-	1.80	-	0.02	-	-	1.83
Unbilled revenue	-	-	-	-	-	-	-
Expeted Credit Loss	-	-	-	-	-	-	-
<b>Total trade receivable</b>	-	1.80	-	0.02	-	-	1.83

(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 year-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables - considered good	-	1.80	0.02	-	-	-	1.83
(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	-	-	-	-	-	-	-
<b>Total</b>	-	1.80	0.02	-	-	-	1.83
Unbilled revenue	-	-	-	-	-	-	-
Expeted Credit Loss	-	-	-	-	-	-	-
<b>Total trade receivable</b>	-	1.80	0.02	-	-	-	1.83

(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 year-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables - considered good	-	2.49	0.02	0.02	-	-	2.54
(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	-	-	-	-	-	-	-
<b>Total</b>	-	2.49	0.02	0.02	-	-	2.54
Unbilled revenue	-	-	-	-	-	-	-
Expeted Credit Loss	-	-	-	-	-	-	-
<b>Total trade receivable</b>	-	2.49	0.02	0.02	-	-	2.54

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27 FINANCIAL INSTRUMENTS

27.1 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	-	-	-	58.56	58.56
Trade receivables	-	-	-	1.80	1.80
Other financial assets	-	-	-	413.74	413.74
Loans	-	-	-	-	-
Investments	-	-	-	-	-
Equity instruments	-	-	-	-	-
Total	-	-	-	474.10	474.10
B. Financial liabilities					
Borrowings	-	-	-	152.23	152.23
Lease liabilities	-	-	-	-	-
Trade payables	-	-	-	4.81	4.81
Other financial liabilities	-	-	-	-	-
Total	-	-	-	157.04	157.04

	As at March 31, 2024	FVTPL	FVTOCI	Amortised cost	Total
A. Financial assets					
Cash and cash equivalents	-	-	-	49.00	49.00
Trade receivables	-	-	-	1.83	1.83
Other financial assets	-	-	-	2.61	2.61
Loans	-	-	-	-	-
Investments	-	-	-	-	-
Equity instruments	-	-	-	-	-
Total	-	-	-	53.45	53.45
B. Financial liabilities					
Borrowings	-	-	-	-	-
Lease liabilities	-	-	-	-	-
Trade payables	-	-	-	2.66	2.66
Other financial liabilities	-	-	-	-	-
Total	-	-	-	2.66	2.66

	As at April 1, 2023	FVTPL	FVTOCI	Amortised cost	Total
A. Financial assets					
Cash and cash equivalents	-	-	-	21.76	21.76
Trade receivables	-	-	-	2.54	2.54
Other financial assets	-	-	-	2.32	2.32
Loans	-	-	-	-	-
Investments	-	-	-	-	-
Equity instruments	-	-	-	-	-
Total	-	-	-	26.63	26.63
B. Financial liabilities					
Borrowings	-	-	-	73.00	73.00
Lease liabilities	-	-	-	-	-
Trade payables	-	-	-	3.64	3.64
Other financial liabilities	-	-	-	-	-
Total	-	-	-	76.64	76.64





**Fair value hierarchy:**

The Company 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
<b>As at March 31, 2025</b>				
<b>Financial Assets measured at FVTPL</b>				
Investments				
Equity Instruments	-	-	-	-
<b>As at March 31, 2024</b>				
<b>Financial Assets measured at FVTPL</b>				
Investments				
Equity Instruments	-	-	-	-
<b>As at April 1, 2023</b>				
<b>Financial Assets measured at FVTPL</b>				
Investments				
Equity Instruments	-	-	-	-

There were no transfers between Level 1, Level 2 or Level 3 for the year 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
<b>A Financial Assets</b>						
Cash and cash equivalents	58.56	58.56	49.00	49.00	21.76	21.76
Trade receivables	1.80	1.80	1.83	1.83	2.54	2.54
Other financial assets	413.74	413.74	2.61	2.61	2.32	2.32
Loans	-	-	-	-	-	-
	474.10	474.10	53.45	53.45	26.63	26.63
<b>B Financial Liabilities</b>						
Borrowings	152.23	152.23	-	-	73.00	73.00
Trade payables	4.81	4.81	2.66	2.66	3.64	3.64
Other financial liabilities	-	-	-	-	-	-
	157.04	157.04	2.66	2.66	76.64	76.64

**27.2 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 Company 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 Company. The framework seeks to identify, assess and mitigate financial risk in order to minimize potential adverse effects on the Company's financial performance.

The Company 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 Company 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, insurance assets and other financial assets. The Company 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 Company is certain about the non-recovery.

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

The Company provides for expected credit loss based on lifetime expected credit loss mechanism for Loans given. Credit Risk from investment in Bonds, Mutual Funds, Venture Capital Funds, cash and cash equivalents and Other Bank balances are managed as per Company'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 Company 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 Company'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 amount	Expected credit	Carrying amount net of
Cash & cash equivalents	58.56	-	58.56
Other financial assets	-	-	-
Loans	-	-	-
Investments	-	-	-
<b>Total</b>	<b>58.56</b>	<b>-</b>	<b>58.56</b>

**March 31, 2024**

Particulars	Gross carrying amount	Expected credit	Carrying amount net of
Cash & cash equivalents	49.00	-	49.00
Other financial assets	2.61	-	2.61
Loans	-	-	-
Investments	-	-	-
<b>Total</b>	<b>51.62</b>	<b>-</b>	<b>51.62</b>

**April 1, 2023**

Particulars	Gross carrying amount	Expected credit	Carrying amount net of
Cash & cash equivalents	21.76	-	21.76
Bank balance other than cash and cash equivalents	-	-	-
Other financial assets	2.32	-	2.32
Loans	-	-	-
Investments	-	-	-
<b>Total</b>	<b>24.09</b>	<b>-</b>	<b>24.09</b>



(ii) Trade Receivables:

Customer credit risk is managed based on Company's established policy, procedures and controls. The company 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 Company 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
Ageing of gross carrying amount				
Not Due	-	-	-	-
Unbilled revenue	-	-	-	-
less than 1 Year	1.80	-	-	1.80
1-2 years past due	0.02	-	-	0.02
2-3 years past due	-	-	-	-
More than 3 years past due	-	-	-	-
Net carrying amount	1.83	-	-	1.83

As at March 31, 2024	Gross Carrying Amount	Expected Loss Rate	Expected Credit Loss	Carrying amount of
Ageing of gross carrying amount				
Not Due	-	-	-	-
Unbilled revenue	-	-	-	-
less than 1 Year	1.83	-	-	1.83
1-2 years past due	-	-	-	-
2-3 years past due	-	-	-	-
More than 3 years past due	-	-	-	-
Net carrying amount	1.83	-	-	1.83

As at April 1, 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	-	-	-	-
Unbilled revenue	-	-	-	-
less than 1 Year	2.52	-	-	2.52
1-2 years past due	0.02	-	-	0.02
2-3 years past due	-	-	-	-
More than 3 years past due	-	-	-	-
Net carrying amount	2.54	-	-	2.54

2) Liquidity risk

Liquidity risk is the risk that the Company 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 Company'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 Company's reputation.

The Company 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	152.23	-	-	152.23
Lease liabilities	-	-	-	-
Trade payables	4.81	-	-	4.81
Other financial liabilities	-	-	-	-
Total	157.04	-	-	157.04
As at March 31, 2024				-
Borrowings	-	-	-	-
Lease liabilities	-	-	-	-
Trade payables	2.66	-	-	2.66
Other financial liabilities	-	-	-	-
Total	2.66	-	-	2.66
As at April 1, 2023				-
Borrowings	73.00	-	-	73.00
Lease liabilities	-	-	-	-
Trade payables	3.64	-	-	3.64
Other financial liabilities	-	-	-	-
Total	76.64	-	-	76.64

Financing arrangements

The Company 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 Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments. Thus, the Company'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 Company is not exposed to currency risk on account of its operating activities. The functional currency of the Company is Indian Rupee.

**Sensitivity analysis**

A 5% strengthening / weakening of the respective foreign currencies with respect to functional currency of the Company 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
USD			
5% increase			
5% Decrease			

- b) **Price Risk**

The Company is mainly exposed to the price risk due to its investments. The price risk arises due to uncertainties about the future market values of these investments. The Company has laid policies and guidelines which it adheres to in order to minimise price risk arising from investments. In order to minimise price risk arising from investments the Company predominately invests in those, which on a long term basis have provided good returns, have good ratings and no demonstrated track record of price volatility.

The Company does not have any investment.

Particulars	For the year ended		
	31-Mar-25	March 31, 2024	As at April 1, 2023
Investments	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Sensitivity analysis**

**Impact on profit or loss and other equity**

1% Increase in price profit and loss impact  
1% Decrease in price profit and loss impact

**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 Company's exposure to market risk for changes in interest rates relates borrowings from banks and financial institutions.

Particulars	As at March 31, 2025	As at March 31, 2024	As at April 1, 2023
Variable rate instruments	152.23	-	73.00
Financial liabilities	152.23	-	73.00

**Interest rate sensitivity - variable rate borrowings**

Particulars	For the year ended		
	31 March 2025	March 31, 2024	As at April 1, 2023
Impact on profit or loss and other equity			
Variable-rate instruments			
1% increase	1.52	-	0.73
1% decrease	-1.52	-	-0.73

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.

**27.3 Capital management**

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

In alignment with industry practices, the Company 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 Company 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)	152.23	-	73.00
Less: cash and cash equivalents	58.56	-	21.76
<b>Net debt (A)</b>	<b>210.79</b>	<b>-</b>	<b>94.76</b>
Total equity (B)	32.14	-	-17.99
<b>Capital and net debt (C=A+B)</b>	<b>242.93</b>	<b>-</b>	<b>76.77</b>
<b>Gearing ratio A/C</b>	<b>87%</b>	<b>0%</b>	<b>123%</b>

\* Includes current maturities of long term borrowings

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ARI Labs Private Limited  
CIN: U72200DL1998PTC097465  
Notes to the Financial Statement  
(Amounts are in INR Lakhs unless otherwise stated)

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

A) List of related parties with Relationship

Holding Company

Zen Technologies Limited

Fellow Subsidiaries

Applied Research International Private Limited

Key management personnel

Particulars	Designation	Date of Appointment/Cessation
Mr. Shravan Rewari	Whole Time Director	Ceased 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

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**B) Related Party Transaction**

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

S.No.	Particulars	Nature of Transaction	2024-25	2023-24	2022-23
1	Shravan Rewari	Loan Received	500.00	-	-
		Loan Repaid	500.00	73.00	-
		Interest Paid	2.29	-	-
		<b>Closing Balances:</b>			
		Interest Payable Outstanding	2.29	-	73.00
2	Applied Research International Private Limited	Loan Taken	150.00	-	-
		Interest Expenses	0.16	-	-
		<b>Closing Balances:</b>			
		Long Term Borrowings	150.00	-	-
		Interest Payable Outstanding	0.16	-	-

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29 Ratios as per the schedule III requirements

S. NO.	Ratio	Numerator	Denominator	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024	% of variance	% of variance	Reason for variation more than 25%
1	Current ratio	Current assets	Current liabilities	100.28	78.47	0.21	1.77	-88.18%	165.71%	Due to increase in both current assets and current liabilities.
				478.12	44.21					
2	Debt-equity ratio	Total debt = (Long term borrowings + short term borrowings + lease liability)	Shareholders equity = equity share capital + reserves & surplus	152.23	-	4.74	-	NA	-100.00%	Due to borrowing from a related party in the current financial year.
				32.14	42.29					
3	Debt service coverage ratio	Earnings available for debt service = PAT + non cash operating expenses + interest on borrowings + interest on lease liability	Debt service = interest payment + principal repayments + lease payment			-	-	NA	NA	NA
4	Return on equity ratio	Net profit after taxes	Average shareholder's equity	-10.15	60.28	-27.27%	496.09%	-105.50%	468.64%	Due to a decline in net profit after taxes
				37.21	12.15					
5	Trade receivable turnover ratio	Net credit sales = gross credit sales - sales return	Average trade receivable	44.34	94.08	24.46	43.06	-43.19%	680.16%	Due to a decline in net sales and a decline in trade receivables
				1.81	2.18					
6	Trade payable turnover ratio	Net credit purchase = gross purchase - purchase return	Average accounts payable	-	-	-	-	NA	NA	NA
				3.73	3.15					
7	Net capital turnover ratio	Net sales = total sales - sales return	Average working capital = (current assets - current liabilities)/2	44.34	94.08	-0.26	21.57	-101.20%	-68212.12%	Due to a decline in sales and a decline in average working capital.
				-171.79	4.36					
8	Net profit ratio	Net profit after tax	Net sales = total sales - sales return	-10.15	60.28	-22.89%	64.07%	-135.72%	-136.18%	Due to a decline in net profit after taxes and net sales.
				44.34	94.08					
9	Return on capital employed	Earnings before interest & taxes	Capital employed = tangible net worth + total debt + deferred tax (net)	17.16	80.86	9.51%	203.22%	-95.32%	-1174.13%	Due to a decline in earnings before interest and taxes (EBIT) and an increase in capital employed due to borrowing during the year.
				180.40	39.79					
10	Inventory Turnover Ratio	Cost of goods sold	Average inventory	-	-	NA	NA	NA	NA	NA
				-	-					
11	Return on Investment	Treasury Income	Average Investment	6.40	1.41	2.87%	6.62%	-56.68%	-33.11%	Due to an increase in income from fixed deposits and average investments.
				223.04	21.29					

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30 A. Basis for segmentation

The Company undertakes works contract, software license service, maintenance or repair services business. The Company has identified the above as the single segment which is consistent with the internal reporting provided to the Board of Directors, who has been identified as the chief operating decision maker (CODM). The CODM allocates resources and assesses performance of the operating segment of the Company.

B. Geographical information

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from external customers		
With in India	6.11	6.70
Outside India	38.23	87.38
Total revenue	44.34	94.08

Particulars	As at March 31, 2025	As at March 31, 2024
Non current assets*	3.27	4.04
With in India	3.27	4.04
Outside India	-	-

\*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 Company's revenue for the year ended March 31, 2025, and March 31, 2024 except as below

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
No. of customers	2	1
Value	44.34	87.38

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31 First time adoption

As stated in notes, this is the first year of 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 Company 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.

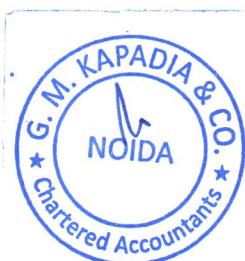
In preparing and in presenting the comparative information for the year ended March 31, 2024 and April 01, 2023, the Company has adjusted amounts reported previously in financial statements prepared in accordance with Indian GAAP.

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

Transition of Balance sheet as at March 31, 2024

Particulars	Notes	As per IGAAP March 31, 2024	Reclassifications	Remeasurement	As per Ind AS March 31, 2024
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant & equipments		4.04	-	-	4.04
Other intangible assets		-	-	-	-
Financial assets		-	-	-	-
(i) Investments		-	-	-	-
(ii) Loan		-	-	-	-
(ii) Others financial assets		1.49	-	-	1.49
Deferred Tax Asset		2.50	-	0.00	2.50
Other non current assets		-	-	-	-
<b>Total non current assets</b>		<b>8.03</b>	<b>-</b>	<b>0.00</b>	<b>8.03</b>
<b>Current assets</b>					
Inventories		-	-	-	-
Financial assets		-	-	-	-
(i) Investments		-	-	-	-
(ii) Trade receivables		1.83	-	-	1.83
(iii) Cash and cash equivalents		70.04	21.03	-	49.00
(iv) Bank balances other than (iii) above		-	(21.03)	-	21.03
(v) Loans		5.49	5.49	-	-
(vi) Others financial assets		-	(1.12)	-	1.12
Income Tax Assets (net)		-	-	-	-
Other current assets		1.12	(4.37)	-	5.49
<b>Total current assets</b>		<b>78.47</b>	<b>(0.00)</b>	<b>-</b>	<b>78.47</b>
<b>Total assets</b>		<b>86.50</b>	<b>(0.00)</b>	<b>0.00</b>	<b>86.50</b>
<b>Equity &amp; liabilities</b>					
<b>Equity</b>					
Equity share capital		3.51	-	-	3.51
Other equity		38.78	(0.00)	-	38.78
<b>Total equity</b>		<b>42.29</b>	<b>(0.00)</b>	<b>-</b>	<b>42.29</b>
<b>Non current liabilities</b>					
Financial liabilities					
(i) Long term borrowings		-	-	-	-
(ii) Other Financial Liabilities		-	-	-	-
Other non-current liabilities		-	-	-	-
<b>Total non current liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>					
Financial liabilities					
(i) Borrowings					
(ii) Lease liabilities					
(iii) Trade payables		2.66	-	-	2.66
(iv) Other financial liabilities			-	-	
Other current liabilities		41.56	2.61	-	38.95
Current tax liabilities (net)			(2.60)	-	2.60
<b>Total current liabilities</b>		<b>44.22</b>	<b>2.61</b>	<b>-</b>	<b>41.61</b>
<b>Total equity &amp; liabilities</b>		<b>86.50</b>	<b>2.61</b>	<b>-</b>	<b>83.89</b>

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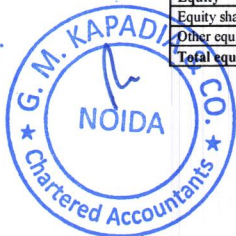


31 First time adoption  
Transition of Statement of Profit and Loss for the year ended on March 31, 2024

Particulars	Notes	As per IGAAP March 31, 2024	Reclassifications	Remeasurement	As per Ind AS March 31, 2024
Revenue from operations		94.07	(0.01)	-	94.08
Other income		6.85	0.00	-	6.85
<b>Total revenue</b>		<b>100.93</b>	<b>(0.00)</b>	<b>-</b>	<b>100.93</b>
Cost of materials consumed		-	-	-	-
Operating Expenses		16.39	(0.00)	-	16.39
Changes in inventories of construction material, work in progress and stock in trade		-	-	-	-
Employee benefit expenses		-	-	-	-
Finance cost		0.05	(0.00)	-	0.05
Depreciation and amortisation expenses		1.79	(0.01)	-	1.80
Other expense		1.88	0.00	-	1.88
Prior period adjustments (net)		-	-	-	-
<b>Total expenses</b>		<b>20.11</b>	<b>(0.01)</b>	<b>-</b>	<b>20.12</b>
<b>Profit before tax</b>		<b>80.82</b>	<b>0.01</b>	<b>-</b>	<b>80.81</b>
<b>Share of Profit / (Loss) of Associates</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit Before Exceptional Item and Tax</b>		<b>80.82</b>	<b>0.01</b>	<b>-</b>	<b>80.81</b>
<b>Tax expenses</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Current tax		20.90	-	-	20.90
Previous year tax adjustment		0.25	-	-	0.25
Deferred tax		-0.62	0.00	-	(0.62)
		<b>20.53</b>	<b>0.00</b>	<b>-</b>	<b>20.53</b>
<b>Profit after tax</b>		<b>60.28</b>	<b>0.01</b>	<b>-</b>	<b>60.28</b>
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Items that will not be reclassified to profit or loss		-	-	-	-
Re-measurement of defined benefit plans		-	-	-	-
Income tax relating to items that will not be reclassified to profit or loss		-	-	-	-
Items that will be reclassified to profit or loss		-	-	-	-
Income tax relating to items that will be reclassified to profit or loss		-	-	-	-
<b>Total comprehensive loss for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>60.28</b>	<b>0.01</b>	<b>-</b>	<b>60.28</b>
<b>Profit attributable to :</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Owner of the company		60.28	0.01	-	60.28
Non-controlling interests		-	-	-	-
<b>Profit for the year</b>		<b>60.28</b>	<b>0.01</b>	<b>-</b>	<b>60.28</b>

Transition of Balance sheet as at April 01, 2023

Particulars	Notes	As per IGAAP April 01, 2023	Reclassifications	Remeasurement	As per Ind AS April 01, 2023
<b>Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non current assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Property, plant & equipments		4.17	(0.00)	-	4.18
Other intangible assets		-	-	-	-
Financial assets		-	-	-	-
(i) Investments		-	-	-	-
(ii) Loans		-	-	-	-
(iii) Others Financial Assets		1.49	(0.00)	-	1.49
Deferred Tax Asset		1.88	(0.00)	-	1.88
Other non current assets		-	-	-	-
<b>Total non current assets</b>		<b>7.55</b>	<b>(0.00)</b>	<b>-</b>	<b>7.55</b>
<b>Current assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Inventories		-	-	-	-
Financial assets		-	-	-	-
(i) Investments	-	-	-	-	-
(ii) Trade receivables	-	2.54	-	-	2.54
(iii) Cash and cash equivalents	-	41.81	20.04	-	21.76
(iv) Bank balances other than (iii) above	-	-	(20.05)	-	20.05
(v) Loans	-	6.21	6.21	-	-
(vi) Others financial assets	-	-	(0.83)	-	0.83
Income tax assets (net)	-	-	-	-	-
Other current assets	-	0.83	(5.38)	-	6.21
<b>Total current assets</b>		<b>51.38</b>	<b>(0.01)</b>	<b>-</b>	<b>51.39</b>
<b>Total assets</b>		<b>58.94</b>	<b>(0.01)</b>	<b>-</b>	<b>58.95</b>
<b>Equity &amp; liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Equity</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Equity share capital	(iii)(c)	3.51	-	-	3.51
Other equity	-	(21.51)	-	(0.01)	(21.50)
<b>Total equity</b>		<b>(18.00)</b>	<b>-</b>	<b>(0.01)</b>	<b>(17.99)</b>





31 First time adoption

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Minority Interest		-	-	-	-
<b>Non current liabilities</b>					
Financial liabilities					
(i) Long term borrowings					
(ii) Lease liabilities					
(iii) Other financial liabilities					
Provisions					
Deferred tax liabilities (net)					
Other non-current liabilities					
<b>Total non current liabilities</b>		-	-	-	-
<b>Current liabilities</b>					
Financial liabilities					
(i) Borrowings		73.00	-	-	73.00
(ii) Lease liabilities					
(iii) Trade payables		3.64	(0.00)		3.64
(iv) Other financial liabilities					
Other current liabilities		0.29	0.00		0.29
Provisions					
Current tax liability (net)					
<b>Total current liabilities</b>		76.93	0.00	-	76.93
<b>Total equity &amp; liabilities</b>		58.94	0.00	(0.01)	58.94



31 First time adoption

Reconciliation of equity		
Particulars	As at March 31, 2024	As at April 01, 2023
Total equity under Indian GAAP	42.29	(18.00)
Adjustment Impact - gain / (loss)	-	-
	-	-
Total Ind AS adjustments	-	-
Total equity under Ind AS	42.29	(17.99)

A. Exemptions applied:

(i) Mandatory exceptions

(a) Estimates :-

On assessment of the estimates made under the Indian GAAP financial statements, the Company 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 Company 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 as 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 Company 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 Company 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 Company 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) 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 company 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 Company 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 Company 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 Company 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 Company 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.

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**32 Other statutory information**

- i) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
- ii) The Company 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 company ("Ultimate Beneficiaries") or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- iii) The Company 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 company shall:
  - (a) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- iv) The Company does not have sanctioned facilities from banks on the basis of security of current assets.
- v) The Company does 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 Company has not been declared a wilful 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 wilful defaulters issued by the Reserve Bank of India.
- vii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- viii) The Company has not traded or invested in Crypto currency or any other virtual currency during the financial year.
- ix) The Company 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.
- x) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- xi) The Company has not granted any loans or advances in the nature of loans to related parties (as defined under the Companies Act, 2013), whether individually or jointly with any other person, that are repayable on demand or without specified terms or repayment period.
- xii) The provisions of the Companies Act, 2013 and rules made thereunder requires that the Company 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 Company has taken all necessary steps to be compliant with the above requirement of audit trail functionality since its effective date.
- xiii) Provisions of Section 135 of the Companies Act, 2013, regarding the corporate social responsibility is not applicable to the company for the year ended March 31, 2025.
- xiv) 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.
- xv) The Company does not have any capital or other commitment as at March 31, 2025.
- xvi) The Company does not have any contingent liabilities as at March 31, 2025.

33 These financial statement were approved by BOD in its meeting held on 10th May 2025.

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

**Material Accounting Policies**

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The accompanying notes form an integral part of these 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  
ARI Labs Private Limited

Ashok Aduri  
Director  
DIN No: 00056050

Sanjay Kumar  
Director  
DIN No: 10977894

Place: New Delhi  
Date: 10th May 2025

