

TS INNOVATIONS LIMITED
BALANCE SHEET AS AT 31-03-2024

Rs. In Lakhs

Particulars	Note	For the Year Ended	
		31-03-2024	Audited
		As at	
I. ASSETS			
1. Non-current assets			
(i) Property, Plant & Equipment			-
(ii) Financial Assets			
(a) Investment			-
(b) Other Financial Assets	1		61.70
(iii) Other non current assets			-
(iv) Deferred tax Asset (net)			-
Total non-current assets			61.70
2. Current assets			
(i) Inventories			-
(ii) Financial Assets			
(a) Trade receivables			-
(b) Cash and Cash Equivalents	2		1.30
(c) Other financial assets			-
(iii) Other current assets			-
Total current assets			1.30
TOTAL			63.00
II EQUITY AND LIABILITIES			
A Equity			
(a) Equity Share Capital	3		1.00
(b) Other Equity	4		-0.49
Total Equity			0.51
B Liabilities			
1. Non-current liabilities			
(i) Financial liabilities			
(a) Lease Liabilities			-
(b) Borrowings			-
(ii) Provisions			-
Total non-current liabilities			-
2. Current liabilities			
(i) Financial liabilities			
(a) Lease Liabilities			
(b) Borrowings			-
(c) Trade payables			
Total Outstanding dues to Micro enterprises and small enterprises			-
Total Outstanding dues to creditors other than Micro enterprises and small enterprises			-
(d) Other financial liabilities	5		62.49
(ii) Other current liabilities			-
(iii) Provisions			-
Total current liabilities			62.49
Total			63.00

Notes:

1. TS Innovations Private Limited (TSL) incorporated on 18-07-2023 in the state of Telangana to do business Tera Software Limited with other Partner Sitra Infotech Private Limited as Joint Venture Company and TSL became a subsidiary company as per provisions of the Companies Act, 2013.

Significant accounting policies and explanatory notes are an integral part of an Financial statements

As per our report of even date attached

For Narven Associates

Chartered Accountants

FRN: 005905S

CA.G.V. Ramana

Partner

M.No: 025995

Place: Hyderabad

Date:

Tummala.Gopichand

Director

Vemulapally. Srihari

Director

TS INNOVATIONS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD/YEAR ENDED 31-03-2024

Rs. In Lakhs

Particulars	Note	For the Year
		Ended 31-03-2024 Audited
Income		
I Revenue from operations		-
II Other income		-
III Total Income (I+II)		-
IV Expenses		
Purchases		-
Change in inventories		-
Technical & Operation expenses		-
Employee benefit expenses		-
Finance costs		-
Depreciation and amortization expenses		-
Other expenses	6	0.49
Total Expenses (IV)		0.49
V Profit/(Loss) before Exceptional items and tax (III-IV)		(0.49)
VI Exceptional items		-
VII Profit/(Loss) before tax (V-VI)		(0.49)
VIII Tax expense		
1) Current tax		-
2) Earlier years Taxes		-
3) Deferred tax (Net)		0.00
IX Profit/(Loss) for the period from continuing operations (VII-VIII)		(0.49)
X Profit/(Loss) from discontinued operations		-
XI Tax expense of discontinued operations		-
XII Profit/(Loss) from discontinued operations (after tax) (X-XI)		-
XIII Profit/(Loss) for the period (IX-XII)		(0.49)
XIV Other Comprehensive income		
A (i) Items that will not be reclassified to Profit or Loss		-
(II) Income tax relating to items that will not be reclassified to Profit or Loss		-
Add: B (i) Items that will be reclassified to Profit or Loss		-
(ii) Income tax relating to items that will be reclassified to profit or loss		-
XV Total Comprehensive income for the period (XIII+XIV) (Comprising Profit/(Loss) and Other Comprehensive income for the period		(0.49)
XVI Earnings per equity share Rs10/- (for continuing operations)		
1) Basic		(4.93)
2) Diluted		(4.93)

Significant accounting policies and explanatory notes are an integral part of an Financial statements
As per our report of even date attached
For Narven Associates
Chartered Accountants
FRN: 005905S

CA.G.V. Ramana
Partner
M.No: 025995

Tummala.Gopichand
Director

Place: Hyderabad
Date:

Vemulapally. Srihari
Director

TS INNOVATIONS LIMITED
NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

3 Share capital

Particulars	FOR THE YEAR ENDED	
	As at	
	31 March 2024	
	Number of shares	Amount
AUTHORISED Equity Shares of Rs 10/- each	1,00,000	10,00,000
ISSUED, SUBSCRIBED & FULLY PAID UP Equity shares of Rs 10/- each	10,000	1,00,000
Total	10,000	1,00,000

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

Particulars	As at 31 March 2024	
	Number of shares	Amount
Equity Shares with voting rights		
Opening Balance of Share Capital		
Fully paid up Rs 10/- each	-	-
	-	-
Closing Balance of share Capital		
Fully paid up Rs 10/- each	10,000	1,00,000
	10,000	1,00,000
DIFFERENCE	(10,000)	(1,00,000)

10 Details of Shareholders holding more than 5% of total number of shares

Name of The Shareholder	As at 31 March 2024	
	No of shares held (in lakhs)	% out of number of shares of the company
Tera Software Limited	7,400.00	74.00%
Sitra Infotech Private Limited	2,600.00	26.00%
TOTAL	10,000.00	100.00%

1 The Company has only one class of shares having face value of Rs 10/- each and the holder of the equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held.

TS INNOVATIONS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2024

Rs. In Lakhs

Particulars	Year Ended 31.03.2024
A. Cash flow from operating activities	
Net Profit / (Loss) before tax as per Profit & Loss Statement	(0.49)
Adjustments for:	
Depreciation and amortisation	-
Sundry Credit Balances Written Back	-
Interest Income	-
Bad Debts Written Off	-
Finance Cost	-
Advances Written off	-
Exceptional Item	-
Changes in Assets and Liabilities:	
Trade receivables	-
Other Financial Assets and Other Assets	-
Other Non Current Assets	-
Other Financial Assets	(61.70)
Other Current Assets	-
Inventories	-
Trade Payables	-
Long Term Provisions	-
Other Current Liabilities	-
Short Term Provisions	-
Other Financial Liabilities	62.49
Cash generated from operations	0.30
Income tax paid	0.00
Net cash flow from operating activities (A)	0.30
B. Cash flow from investing activities	
Share Capital	1.00
Property, Plant & Equipment	-
Interest Income	-
Net cash flow from Investing activities (B)	1.00
C. Cash flow from financing activities	
Short Term Borrowings(Net)	-
Long Term Borrowings	-
Interest Paid	-
Net cash flow from Financing activities (C)	-
Net increase in Cash and cash equivalents (A+B+C)	1.30
Opening balance of Cash and cash equivalents	-
Closing balance of Cash and cash equivalents	1.30
Components of Cash and Cash Equivalents	
Cash and cheques on Hand	-
Balances with Banks	
-On Current Accounts	1.30
-On Deposit Accounts	-
Cash and cash Equivalents	1.30

Significant accounting policies and explanatory notes are an integral part of an Financial statements

As per our report of even date attached

For Narven Associates

Chartered Accountants

FRN: 005905S

CA.G.V. Ramana

Partner

M.No: 025995

Place: Hyderabad

Date:

Tummala.Gopichand

Director

Vemulapally. Srihari

Director

TS INNOVATIONS LIMITED
NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

		Rs. in Lakhs
		For the Year Ended
Particulars		As at 31-03-2024 Audited
	FINANCIAL ASSETS	
1	OTHER FINANCIAL ASSETS	
	Security and other Deposits	61.70
	Total	61.70
2	Cash and Cash Equivalents	
	(i) Balances with Banks	
	In current accounts	1.30
	Total	1.30
4	Reserves and Surplus	
	(i) Surplus /(deficit) in statement of profit and loss	
	Opening balance	-
	Profit/(Loss) for the year	-0.49
	Closing balance	-0.49
5	Other financial liabilities	
	Vaibhu Infratech India Pvt Ltd- Deposit	62.00
	Sundry Creditors	0.25
	Tera software Ltd	0.24
	Total	62.49
6	OTHER EXPENSES	
	Incorporation Expenses	0.24
	<u>Payment to Auditors</u>	
	Statutory Audit fee	0.25
	Total	0.49

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TS INNOVATIONS PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements Opinion

We have audited the accompanying standalone financial statements of TS INNOVATIONS PRIVATE LIMITED (the "Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the period ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements gives the information required by the Companies Act, 2013 (the "Act") in the manner so required and gives a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("INDAS") and other accounting principles generally accepted in India, of the state of affairs of the group as at March 31, 2024 and its profit, total comprehensive income, changes in equity and its cash flows for the Period ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA" s) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statement 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the Rules made there under, 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone 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 Standalone financial statements for the current period. These matters were addressed in the context of our audit of the Standalone financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

There were no key Audit Matters to communicate during the Present Financial Period



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

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or with our knowledge obtained during our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Standalone 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 standalone 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 and 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 safe guarding 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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



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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements 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 based on these standalone 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 Standalone 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 financial control relevant to the audit to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system 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 the Management and Board of Directors.
- Conclude on the appropriateness of managements and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Standalone 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 Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because head verse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure "A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report agree with the books of account and returns.



- D. In our opinion, the aforesaid standalone financial statements comply with the IndAS Specified under Section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014;
- E. There are no adverse observations or comments of the auditors on financial transactions or matters which have any adverse effect on the functioning of the company.
- F. Based on the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- G. With respect to the adequacy of the internal financial controls with reference to the financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B." Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the financial statements.
- 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:
- a. The Company has no pending litigations on its financial position in its Standalone financial statements as at 31st March 2024.
 - b. The Group has no requirement to make any provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - c. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
 - d. The management has represented that, to the best of its knowledge and belief, that
 - i. No funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any



manner what so ever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- ii. No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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;
 - iii. Based on audit procedures carried out by us, that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us believe that the representations under sub-clause (i) and (ii) contain any material misstatement.
- e. In our opinion and according to the information and explanations given to us, the company has not declared any dividend during the Period.
- f. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023;

The Company, in respect of financial Period commencing on or after the 18th July 2023 has used Tally Prime Accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the Period for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

3. 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, as amended, in respect of whether the the remuneration paid by the Company to its directors during the Period is in accordance with the provisions of section 197 of the Act



For Narven Associates
Chartered Accountants
FRN : 005905S

Date:
Place: Hyderabad

CA. G.V. RAMANA
Partner
Membership No: 025995
UDIN:

**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT ISSUED TO THE MEMBERS
OF TS INNOVATIONS PRIVATE LIMITED OF EVEN DATE**

(Referred to 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (i) The Company does not have any Plant Property and Equipment. Accordingly, paragraph 3 (i) of the order is not applicable

(ii) The Company does not have any Intangible Assets during the Period. Hence reporting under clause 3(i)(a)(B) is not applicable.
 - (b) Based on our examination of the records of the company, there are no proceedings initiated during the Period or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under.
- ii. The Company's nature of operations does not require it to hold inventories. Accordingly, clause (ii) of paragraph 3 of the Companies (Auditor's Report) Order, 2020 are not applicable for the current Period
- iii. Based on our examination of the records of the company, the Company has not made investments in/ provided any guarantee or security/ granted any loans or advances in the



nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, paragraph 3 (iii) of the Order is not applicable.

- iv. Based on our examination of the records of the company, according to the information and explanations given to us and based on our examination of the records of the Company, the company has not given any loans or provided any guarantee or given any security or made any investments as specified under section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3 (iv) of the order is not applicable.
- v. Based on our examination of the records of the company, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the Period in terms of directives issued by the Reserve Bank of India or the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable.
- vii. In respect of statutory dues:

- a. In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

- b. There are no dues of Income Tax or Sales Tax or Service Tax or Duty of customs or duty of Excise or Value added tax or GST, which have not been deposited on account of any dispute.
- viii. Based on our examination of the records of the company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the Period.

- ix. (a) Based on our examination of the records of the company, the Company has not



defaulted in repayment of loans or other borrowings to financial institutions, banks, government, and dues to debenture holders or in the payment of interest thereon to any lender.

- (b) Based on our examination of the records of the company, the Company has not been declared willful defaulter by any bank or financial institution or other lender.
 - (c) The Company has not obtained any term loans during the Period. Accordingly, clause 3(ix)(c) of the Order is not applicable.
 - (d) Based on our examination of the records of the company, we report that no funds raised on short term basis have been utilized for long term purposes.
 - (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
 - (f) The Company has not raised any loans during the Period on the pledge of securities held in its subsidiaries. Joint ventures and associates and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x.
- (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the Period. Accordingly, clause 3(x)(a) of the Order is not applicable.
 - (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment / private placement of shares or fully or partly or optionally convertible debentures during the Period. Accordingly, clause 3(x)(b) of the Order is not applicable.
- xi.
- (a) Based on our examination of the records of the company, we report that no fraud by the Company or on the Company has been noticed or reported during the Period.
 - (b) No report under sub-section (12) of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the Period.
- xii.
- The Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order is not applicable.



- xiii. Based on our examination of the records of the Company, the transactions with the related parties are in compliance with Sections 177 and 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. (a) In our opinion the Company is not required to have an Internal audit system for the period under review.

(b) We have considered, the internal audit reports for the Period under audit, issued to the Company during the Period and till date, in determining the nature, timing and extent of our audit procedures.

- xv. In our opinion and according to the information and explanations given to us, the Company has not entered non-cash transactions with directors or persons connected with them. Hence provisions of section 192 of the Act, 2013 are not applicable to the Company.

(a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3 (xvi) (c) of the Order is not applicable.

(d) (d) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3 (xvi) (d) of the Order is not applicable.

- xvi. The Company has incurred cash losses during the financial Period. There are no previous year figures as this is the first period of Company's existence.

- xvii. There has been no resignation of statutory auditors during the Period, Accordingly, Paragraph 3(xviii) of the order is not applicable.

- xviii. 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 and 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 indicating 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.

xix. (a) In our opinion and according to the information and explanations given to us, there is no amount remaining unspent to be transferred to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the Act. Accordingly, clause 3(xx)(a) of the Order is not applicable.

(b) In our opinion and according to the information and explanations given to us, there is no amount remaining unspent under sub-section (5) of section 135 of the Act, pursuant to any ongoing project, to be transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act; Accordingly, clause 3(xx)(b) of the Order is not applicable.

xx. In our opinion and according to the information and explanations given to us, the Company does not have investments in subsidiaries/ associates or joint venture companies. Accordingly, paragraph 3 (xxi) of the Order is not applicable.

For Narven Associates
Chartered Accountants
FRN : 005905S

Date:

Place: Hyderabad

CA. G. V. Ramana
Partner

Membership No: 025995

UDIN:



ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT of on the standalone IND AS Financial Statements of M/s TS INNOVATIONS PRIVATE LIMITED for the Period ended 31st March,2024.

(Referred to in paragraph 2(f) under ‘Report on other legal and regulatory requirements’ section of our report to the Members of TS Innovations Private Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section143 of the Companies Act,2013 (the “Act”)

We have audited the internal financial controls over financial reporting of M/s TS INNOVATIONS PRIVATE LIMITED (the “Company”) as of March 31, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the Period ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

Management’s Responsibility for Internal Financial Controls

The Company’s management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to the standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing (“SA”), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the standalone Financial Statements. Those SAs and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the standalone Financial



Statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal financial controls system with reference to the Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to the Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control with reference to financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control with reference to financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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



Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Narven Associates
Chartered Accountants
FRN: 0005905S

Date:
Place: Hyderabad

CA. G.V. RAMANA
Partner
Membership No: 025995
UDIN:

TS Innovations Private Limited (TSL) incorporated on 18-07-2023 with CIN U62020TS2023PTC175114 with its Registered office at 8-2-293/82/A/1107/A, Road No.55, Jubilee Hills, Hyderabad, Shaikpet, Telangana, India, 500033. TS Innovations Private Limited (TSL) incorporated in the state of Telangana with M/S Tera Software Limited (76%) and Sitra Infotech Private Limited (24%) as Shareholders, hence TSL has become a subsidiary company of Tera Software Limited as per provisions of the Companies Act, 2013.

SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The company's financial statements have been prepared in accordance with the provisions of the Companies Act' 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Amendment Rules, 2016 as applicable. The financials of the company for the period ended March 31, 2024 are prepared in compliance with Ind AS.

b) Basis of accounting

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis as stated in the provisions of the Companies Act, 2013 ('Act'). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value measurements under Ind AS are categorized as below 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:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at measurement date;
- Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets/liabilities.

c) **Presentation of financial statements**

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 (“the Act”). The statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 “Statement of Cash flows”. The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards.

d) **Operating cycle for current and non-current classification**

Operating cycle for the business activities of the company covers the duration of the specific project/contract/product line/service including the defect liability period wherever applicable and extends up to the realization of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business.

e) **Revenue recognition**

The company accounts and recognizes contract with a customer only when the following criteria are met:

(a) The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;

(b) The entity can identify each party’s rights regarding the goods or services to be transferred;

(c) The entity can identify the payment terms for the goods or services to be transferred;

(d) The contract has commercial substance (i.e., the risk, timing or amount of the entity’s future cash flows is expected to change as a result of the contract); and

(e) It is probable that the company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, the company considers only the customer’s ability and intention to pay that amount of consideration when it is due.

The amount of consideration to which the company will be entitled may be less than the price stated in the contract if the consideration is variable because the entity may offer the customer a price concession.

At contract inception, the company shall assess the goods or services promised in a contract with a customer and shall identify as a performance obligation each promise to transfer to the customer either:

a good or service (or a bundle of goods or services) that is distinct; or

a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

The company shall recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to the customer. An asset is transferred when (or as) the customer obtains control of that asset.

When a performance obligation is satisfied, the company shall recognize as revenue the amount of the transaction price that is allocated to that performance obligation. Determining the transaction price, the company shall consider the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

f) **Exceptional Items**

Exceptional Items represents the nature of transactions which are not in recurring nature during the ordinary course of business but lead to increase / decrease in profit / loss for the year.

g) **Property, plant, and equipment (PPE)**

PPE is recognized 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. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation, and cumulative impairment, if any. Property, plant, and equipment acquired on hire purchase basis are recognized at their cash values. Cost includes professional fees related to the acquisition of PPE and for qualifying assets, borrowing costs capitalized in accordance with the company's accounting policy.

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress."

Depreciation is recognized using Written Down Value to write off the cost of the assets (other than freehold land and properties under construction) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013.

Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

Where cost of a part of the asset (“asset component”) is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life. Freehold land is not depreciated.

h) **Investment property**

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with the Ind AS16’s requirement for cost model. An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no further economic benefits expected from disposal. Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognized.

i) **Intangible assets**

Identifiable intangible assets are recognized when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

At initial recognition, the separately acquired intangible assets are recognized at cost.

Following initial recognition, the intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. The estimated useful life and amortization method reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets are amortized on straight line basis over the estimated useful life. The method of amortization and useful life is being reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

j) **Impairment of assets**

Intangible assets and property, plant, and equipment:

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

k) **Employee Benefits**

Short term employee benefits:

Employee benefits such as salaries, wages, short term compensated absences, expected cost of bonus, ex-gratia and performance-linked rewards falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are expensed in the period in which the employee renders the related service.

Post-employment benefits:

Provident Fund

The company makes contribution to Provident Fund administered by the Central Government under The Employees Provident Funds and Miscellaneous Provisions Act, 1952 and recognizes the same as an expense in the profit and loss account.

Gratuity

For defined post-employment benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each quarter reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re measurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

l) **Leases**

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception.

(i) **Finance leases**

- a) Leases where the company has substantially all the risks and rewards of ownership of the related assets are classified as finance leases. Assets under finance leases are capitalized at the commencement of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, to obtain a constant periodic rate of interest on the outstanding liability for each period.
- b) Assets given under a finance lease are recognized as a receivable at an amount equal to the net investment in the lease. Lease income is recognized over the period of the lease to yield a constant rate of return on the net investment in the lease.

(ii) **Operating leases:**

The leases which are not classified as finance lease are operating leases.

- a) Lease rentals on assets under operating lease are charged to the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease.
- b) Assets leased out under operating leases are continued to be shown under the respective class of assets. Rental income is recognized on a straight-line basis over the term of the relevant lease.

m) **Financial Instruments**

Financial assets and/or financial liabilities are recognized when the company becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction values and where such values are different from the fair value, at fair value. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from, the fair value of such assets or liabilities, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

Financial asset is

1. Cash / Equity Instrument of another Entity,
 2. Contractual right to:
 - a) Receive Cash / another Financial Asset from another Entity, or
 - b) Exchange Financial Assets or Financial Liabilities with another Entity under conditions that are potentially favorable to the Entity.
- A. All recognized financial assets are subsequently measured in their entirety at amortized cost or at fair value depending on the classification of the financial assets as follows:
- i) Investments in debt Instruments that are designated as fair value through profit or loss (FVTPL) - at fair value.
 - ii) Other investments in debt instruments – at amortized cost, subject to following conditions:
 - The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
 - The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
 - iii) Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI) (unless the same are designated as fair value through profit or loss)
 - The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
 - The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
 - iv) Investment in equity instruments issued by subsidiary, associates and joint ventures are measured at cost less impairment.
 - v) Investment in preference shares of the subsidiary companies are treated as equity instruments if the same are convertible into equity shares or are redeemable out of the proceeds of equity instruments issued for the purpose of redemption of such investments. Investment in preference shares not meeting the aforesaid conditions are classified as debt instruments at FVTPL.

- vi) Investments in equity instruments are classified as at FVTPL, unless the related instruments are not held for trading and the company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income.

For financial assets that are measured at FVTOCI, income by way of interest, dividend, and exchange difference (on debt instrument) is recognized in profit or loss and changes in fair value (other than on account of such income) are recognized in Other Comprehensive Income and accumulated in other equity. On disposal of debt instruments measured at FVTOCI, the cumulative gain or loss previously accumulated in other equity is reclassified to profit or loss. In case of equity instruments measured at FVTOCI, such cumulative gain or loss is not reclassified to profit or loss on disposal of investments.

B. A financial asset is primarily derecognized when:

- i) The right to receive cash flows from the asset has expired, or
- ii) The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and (a) the company has transferred substantially all the risks and rewards of the asset, or b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition of a financial asset in its entirety, the differences between the carrying amounts measured at the date of de-recognition and the consideration received is recognized in profit or loss.

C. Impairment of financial assets: The Company recognizes impairment loss on trade receivables using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience as permitted under Ind AS 109.

Financial liabilities

Financial liability is Contractual Obligation to

- a) Deliver Cash or another Financial Asset to another Entity, or
- b) Exchange Financial Assets or Financial Liabilities with another Entity under conditions that is potentially unfavorable to the Entity.

Financial liabilities, including derivatives and embedded derivatives, which are designated for measurement at FVTPL are subsequently measured at fair value. Financial guarantee contracts are subsequently measured at the amount of impairment loss allowance or the amount recognized at inception net of cumulative

amortization, whichever is higher. All other financial liabilities including loans and borrowings are measured at amortized cost using Effective Interest Rate (EIR) method.

Financial liability is derecognized when the related obligation expires or is discharged or cancelled.

Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value and such value may or may not be realized.

Fair value measurement

The Company measures certain financial instruments at fair value at each reporting date. Fair value is the price that would be received on sale of 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:

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

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

n) **Inventories**

Inventories are valued after providing for obsolescence, as under:

- a) Raw materials, components, construction materials, stores, spares, and loose tools at lower of Cost and net realizable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.
- b) Finished goods and stock-in-trade (in respect of goods acquired for trading) at lower of Cost and net realizable value. Cost includes related overheads and GST paid/payable on such goods.

Assessment of net realizable value is made in each subsequent period and when the circumstances that previously caused inventories to be written-down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the write-down, if any, in the past period is reversed to the extent of the original amount written-down so that the resultant carrying amount is the lower of the cost and the revised net realizable value.

o) Cash and bank balances

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

p) Borrowing Costs

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease and exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Borrowing costs net of any investment income from the temporary investment of related borrowings that are attributable to the acquisition, construction or production of a qualifying asset are capitalized /inventoried as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period to get ready for its intended use or sale. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

q) Foreign currencies

i) The functional currency and presentation currency of the company is Indian Rupee.

ii) Transactions in currencies other than the company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognized in profit or loss in the period in which they arise except for:

- a) Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- b) Exchange differences on transactions entered to hedge certain foreign currency risks.

r) **Taxes on income**

Income tax expense represents sum of the tax currently payable and deferred tax.

Current Tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that in addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

s) **Provisions, contingent liabilities and contingent assets**

Provisions are recognized only when:

- the company has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows.

Contingent assets are disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities, and contingent assets are reviewed at each Balance Sheet date.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognized and measured as a provision.

t) Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities based on the available information. Cash flow from operating activities is reported using indirect method, adjusting the net profit for the effects of:

- i) changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
- ii) non-cash items such as depreciation, provisions, deferred taxes, unrealized foreign currency gains and losses, and undistributed profits of associates; and
- iii) all other items for which the cash effects are investing or financing cash flows.

Cash comprises cash on hand and demand deposits with banks.

Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

u) Earnings Per Share:

Basic earnings per equity share are computed by dividing the net profit for the year attributable to the Equity Shareholders by the weighted average number of equities shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year, adjusted for the effects of dilutive potential equity shares, attributable to the Equity Shareholders by the weighted average number of the equity shares and dilutive potential equity shares outstanding during the year except where the results are anti-dilutive.

v) Critical Accounting Judgments and key sources of estimation uncertainty

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these

assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets and liabilities affected in future periods. The following are the critical judgments, apart from those involving estimations, that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statement.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Depreciation/ amortization and Useful life of Property, Plant, and equipment

The company reviews the estimated useful lives of property plant and equipment at the end of each reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/amortization for future periods is revised if there are significant changes from previous estimates. During the current year, there has been no change in life considered for the assets.

Recoverability of trade receivables

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered to determine the provision include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

Estimation of net realizable value of inventories

Inventories are stated at the lower of cost and Fair value. In estimating the net realizable value / Fair value of Inventories the Company makes an estimate of future selling prices and costs necessary to make the sale.

Provision for employee benefits

The Company uses actuarial assumptions to determine the obligations for employee benefits at each reporting period. These assumptions include the discount rate, expected long-term rate of return on plan assets, rate of increase in compensation levels and mortality rates.

Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for the financial reporting purposes. The valuation committee which is headed by the Chief Financial Officer of the Company determines the appropriate valuation techniques and inputs for fair value measurements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**7. Contingent Liabilities and Commitments not provided for**

a. Contingent Liabilities: NIL

8. Earnings Per Share

Particulars	FY 2023-24	FY 2022-23
Net Profit After Tax (Rs in lakhs)	-(0.49)	0.00
Weighted Average Number of Equity shares of Rs.10 each (In lakhs)	1	0.00
Nominal Value of Shares	10	0.00
Earnings Per Share (Basic/Diluted) (In Rs.)	(4.93)	0.00

Ratios for the period ended March 31 st 2024 are as follows:					
	Particulars	Numerator	Denominator	31.03.2024	Since this is first year of incorporation, there are no variance
a)	Current Ratio	Current assets	Current liabilities	0.02	
b)	Debt-Equity ratio	Total liabilities	Shareholders' equity	(123.21)	
c)	Debt service coverage ratio	Operating Income	Interest expenses	-	
d)	Return on equity ratio	Net Income	Equity	(0.49)	
e)	Inventory turnover ratio	Inventory	Turnover	-	
f)	Trade receivable turnover ratio	Receivables	Turnover	-	
g)	Trade payable turnover ratio	Payables	Turnover	-	
h)	Net capital turnover ratio	Net Sales	Working Capital	-	
i)	Net profit ratio	Net profit	Net Sales	-	
j)	Return on capital employed ratio	Earnings Before Interest & Taxes	Turnover	-	
k)	Return on Investment	Net income	Turnover	(0.49)	

As per our report of even date attached

For Narven Associates

Chartered Accountants

FRN: 0005905S

CA. G V Ramana

Partner

Place: Hyderabad

Date: